



# FUNGUO INNOVATION PROGRAMME

## FREQUENTLY ASKED QUESTIONS (FAQs) – 2<sup>ND</sup> CALL FOR FUNDING APPLICATIONS

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### 1. DEFINITIONS

#### (i) What is FUNGUO Innovation Programme and what is its purpose?

FUNGUO is a UNDP Initiative funded by the European Union as part of the “Business Environment, Growth and Innovation” (BEGIN) Programme. Other funders include UNDP itself and the UK Government through the British High Commission. The programme aims to increase the number of successfully scaled innovative ventures. It does so by addressing the challenges and gaps in the innovation ecosystem that hinder the scaling of innovative impact ventures, while fostering an environment that supports innovation for development and empowers innovators, entrepreneurs, and enablers. UNDP Tanzania leads the programme implementation in partnership with UNCDF, and works in close collaboration with COSTECH, ICT Commission among and other partners. FUNGUO works to create a foundation for, and unlock the potential of, Tanzanian innovators to establish scalable start-ups capable of attracting impact and commercial investments.

#### (ii) How does FUNGUO define “Innovation” in the context of its work?

In the context of early-stage businesses and startups, innovation refers to the creation and implementation of novel ideas, products, services, or business models that provide unique value to customers and differentiate the company from its competitors. It involves introducing something new or improving upon existing solutions to address market needs, solve problems, or seize opportunities. It often revolves around developing unique value propositions, leveraging emerging technologies, and exploring untapped markets.

Eligible applicants must demonstrate how innovative the products or services they offer are. This can include innovative processes, additionality, unique selling proposition, or experience etc. [Doblin's Ten Types of Innovation](#) can be a good guiding framework.

#### (iii) How does FUNGUO define an “impact-driven startup”?

Although there is no generally accepted or legal definition of a “startup” in Tanzania yet, FUNGUO subscribes to that of [Startup Commons](#). They define a startup as “a team of entrepreneurial talent developing new innovations, in identifiable and investable form, in progress to validate and capture the value of the created innovation - with ambition to grow fast with scalable business model for maximum impact.” An impact-driven startup is a type of startup that aims to generate positive social or environmental impact alongside financial sustainability

**(iv) What is FUNGUO’s definition of “Women-Led Business”?**

FUNGUO defines women-led startups/companies/businesses as ones with share of women ownership not less than 51% and/or has a management team of at least 50% women.

**2. TARGET AUDIENCE**

**(i) Who is FUNGUO’s Target Audience?**

FUNGUO’s target audience are impact-driven startups and innovative SMEs that:

- Are beyond ideation and pilot stage, with demonstrable market traction.
- Have already shown promise of success on a small scale and have some information on their operational and financial viability which they want to solidify for scaling purposes.
- Are looking to unlock investment but still need some catalytic funding to do so.
- Have not yet attracted equity or debt financing of USD 100,000 or above.

**(ii) What is the Geographical Scope of FUNGUO’s Audience?**

The Startup or Innovative SME should be registered and operating in Tanzania – any region (mainland or Zanzibar).

**(iii) Does FUNGUO target any specific sector?**

FUNGUO’s Second Call for Funding Applications is sector agnostic. The programme is open to scalable impact-driven startups from any sector.

**3. ELIGIBILITY CRITERIA**

**(i) What is FUNGUO’s Second Call for Funding Eligibility Criteria?**

FUNGUO’s Second Call for Funding is open to ventures that meet the following basic criteria:

- The business is legally registered in Tanzania (incorporated or with a business name registration).
- It is majority-owned by Tanzanian citizens (by 51% and above).
- It is beyond ideation and pilot stage, with a minimum viable product that has some market traction (post revenue).
- It is for-profit entities or market-oriented social enterprises.
- The business has not raised more than \$100,000 in funding (in Equity or debt) to date.

**4. EVALUATION CRITERIA**

**(i) What is FUNGUO’s Second Call for Funding Evaluation Criteria?**

S/N	Criteria	Score
1	Innovation:	30

2	Business Viability and Potential to Scale:	30
3	Team and Management:	20
4	Development impact:	20
<b>Total</b>		<b>100</b>

## 5. SELECTION PROCESS:

### (i) What will be the applications review steps?

**Step 1:** Eligibility screening – eligibility will be assessed according to the eligibility requirements as set forth in section 2.1.

**Step 2:** Evaluation of eligible applications by FUNGUO’s technical evaluation panel based on the evaluation criteria set out in section 4 of the RFA.

**Step 3:** Due diligence – due diligence on the applications, founders, management, partners, and potential customers will be conducted on applications that score at least 70 over 100 on the evaluation criteria. Due diligence processes will include interviews with the team and other stakeholders, calls with referees, input from external technical experts, and potentially a physical visit to the company’s premises.

**Step 4:** Notification of applications – all applicants will be notified of the status of their applications.

**Step 5:** Approval of the selected applications by the Investment Committee. Pre-selected applications will be reviewed, discussed for approval by FUNGUO/UNCDF’s Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.

**Step 6:** Pre-Grant negotiation and Performance-based Agreement preparations – the selected applicants will be given time to finalize budgets, workplans, targets and indicators. Disbursement will be done in installments and upon achievement of agreed milestones.

## 6. TICKET SIZE

### (i) How much is available for FUNGUO’s Second Call for Funding?

Under this second funding round, FUNGUO will provide equity free grants ranging from TZS 50 million to TZS 100 million.

## 7. SUBMISSION PROCEDURE

### (i) What is the submission procedure to be followed in order to apply for FUNGUO’s Second Call for Funding?

The applicant must submit a complete application form online:

<https://apply.uncdf.org/prog/FUNGUO2/>. After clicking on the link, applicants will be directed to an online digital platform where the applicant can fill out a digital application form. Only applications submitted online via the link provided and with all the required documentation will be considered.

## 8. SUPPORTING DOCUMENTS

### (i) What supporting documents are needed in order to apply for FUNGUO’s Second Call for Funding?

At each stage of the application, applicants will be guided and advised on which attachments are needed to support their case.

All submissions must be completed in English. FUNGUO may request additional information and documentation to proceed to the technical evaluation of proposals. Only applications that include the requested documents will be considered.

## 9. ADDITIONAL INFORMATION

1. Applicant must submit a complete application form online:  
<https://apply.uncdf.org/prog/FUNGUO2>
2. Only applications submitted online via the link provided and with all the required documentation will be considered.
3. All applications must be submitted by 23:59 EDT TIME on 30<sup>th</sup> June 2023.

For requests and queries, send an email to [funding@funguo.org](mailto:funding@funguo.org); cc [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org)



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