

Technology Innovation Agency (TIA), an entity of the Department of Science, Technology and Innovation (DSTI) was established in terms of the TIA Act, 2008 (Act No. 26 of 2008), with the objective to stimulate, intensify and exploit technological innovation to improve economic growth and the quality of life of all South Africans.

EXPRESSION OF INTEREST

THE HIGH IMPACT SEED FUND OF FUNDS

Are you a Fund Manager? Are you raising capital towards a Seed Stage Fund?

The High Impact Seed Fund of Funds is a partnership between the SA SME Fund, Technology Innovation Agency (TIA) and eSquared to the value of Three Hundred Million (R 300 million). The HISFoF mandate is to address the funding gap between Pre-Seed and Series A funding, where the seed stage is to begin the very early stages of commercialization, before growth capital.

To encourage wider participation, growth and transformation in the Venture Capital (VC) market, Black Fund VC Managers, with a representation of Women, and who have never received prior allocations from the TIA and SA SME Fund are requested to submit expression of interest for funding towards an early-stage Seed Fund to manage an allocation of the HISFoF. These will be submitted for consideration by the SA SME Fund, the designated Fund Manager of the High Impact Seed Fund of Funds.

The HISFoF, with an allocation participation of up to R60 million per Fund Manager, broadly focuses investment into various sectors and implement sector guardrails through fund mandates with a goal of funding sectors and start-ups that will improve the quality of lives for South Africans. In line with the HISFoF funding sectors, the focus for this EoI is on Funds with a portfolio allocation of the follow sectors:

- The digital economy, including investment in logistics and mobility
- Climate change and environmental sustainability
- Energy Innovation businesses that support the just transitions
- Alternative water innovations to address widespread water challenges

ELIGIBILITY

The respondents must be:

- A 51% black majority owned fund
- Have female representation at ownership/management level
- Be a Seed stage investor
- Have a registered Fund
- Have not received prior allocation from the TIA and SA SME Fund
- The fund manager must be registered, domiciled and operational in South Africa
- Investments can only be in SA

EVALUATION CRITERIA

The HISFoF seeks Fund Managers, with a Fund request, with the following key attributes:

- HISFoF Mandate Fit
- Well documented, clear Investment Thesis
- Fund Raising ability
- Sustainability of the Fund
- Good governance track record
- Tangible Investment Pipeline
- Commercialisation track record, included value add, with an added advantage of an Exit record
- Preference to Fund Managers and Funds that have a pipeline showing
 - Publicly funded intellectually property project background
 - Key relationships with HEI / TTOs
 - Portfolio allocation from underserved provinces
 - Allocation to persons living with disabilities

NOTES

The Fund Manager will be required to establish and manage the VC Fund and will be solely and exclusively responsible for investment and exit decisions. The VC Fund Manager will be responsible for: (i) actively seeking deals; (ii) fundraising; (iii) presenting deals to their investment committee; (iv) monitoring performance of approved investments; (v) reporting; and (vi) supporting portfolio companies. The VC Manager must be willing to comply with all reporting, monitoring and evaluation requirements of investments.

DEFINITIONS

- Primary Research – typically informed by Government and Corporate priorities
- Technology Development Funding – to develop a proof of concept/prototype
- Seed Funding – to begin the very early stages of commercialization
- Series A Funding – to expand and cater for the first phase of growth
- Series B, C Funding – used to scale the business / move into new geographies

Submission processes and Enquiries

Applications must be submitted to **HISFOF@tia.org.za** before **7 February 2025** by **17h00**

- Respondents must submit a full investment placement memorandum that includes the fund proposal
- In addition, respondents must populate the Supplementary HISFoF Questionnaire on this link:
<https://url.za.m.mimecastprotect.com/s/VJLPCY6YBnljJ7MC0f2SxvZPH?domain=tia.org.za>
- Respondents must submit and include Curriculum Vitae, Identity Documents and any other information of the Fund Manager shareholders and team.
- Respondents must provide evidence of track record by FM, FAIS documents, Teaser documents for at least 5 projects considered investable by the seed fund, Risk register and Evidence of any key relationships.
- The output of the EoI will be provided as a recommendation to SA SME Fund for any further processes and decision making.
- It is noted the final decision making resides with the SA SME Fund as the appointed Fund Manager for the HISFOF.

For more information contact **012 472 2700** or send an email to **customerservice@tia.org.za**

No late submissions will be considered, and responses sent to any other email besides the one recommended will not be considered.