

● ● ● ● ***Product Development Fund***

Information Pack

Dated 15 June 2020

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1. Scope of the Document

The scope of this document is to provide clear and exhaustive information to private sector companies considering applying to the *Product Development Fund* (PDF) of the Qatar Science & Technology Park (QSTP, Member of Qatar Foundation).

This document comprises 6 (six) sections:

1. Scope of the Document
2. Description of the *Product Development Fund*
3. Guidelines
4. Application Preview
5. Mandatory Templates
6. Examples

The Application to the *Product Development Fund* is a web-based process that should be carried out online only. To apply, the candidate company should fill in the online application forms and submit the required files (based on the templates provided in this document).

[Before applying online, please read carefully this document.](#) The Application Preview (*Section 4* of this document) will help the applicants to gather in advance all the information (and documentation) required to fill in the online forms.

2. Description of the *Product Development Fund*

2.1 Purpose

The *Product Development Fund* aims at assisting Qatar in meeting the economic goals set forward in the Qatar National Vision 2030.

The *Product Development Fund* core high-level objectives are:

- Facilitate the transition to a knowledge-based economy by reducing the need to import innovative products from other nations;
- Lower the financial risks associated with in-house innovation;
- Encourage local product innovation while simultaneously create new STEM (Science, Technology, Engineering and Math) or non-STEM career opportunities.
- Support innovation within SMEs to stimulate diversification of economy in Qatar.
- Strengthen the Start-ups to increase their revenues and clients.

The *Product Development Fund* targets 3 main practical goals:

- Encourage local private sector Small or Medium Enterprises (SMEs) to venture into technology-rich product development by reducing investment risks;
- Speed up the development of new products by helping local private sector SMEs to increase capability;
- Assist local private sector SMEs in taking advantage of the innovation eco-system to develop new products and services.

The ideal candidate of the *Product Innovation Fund* is a private sector company belonging to any of the following category profile:

1. Local private sector spin-outs of larger companies, start-ups or SMEs in strategic industries in private sector (environment; energy; healthcare; ICT);
2. Local private sector spin-outs of larger companies, start-ups or SMEs willing to develop new and tech-rich products, or accelerate the development of existing products;
3. Local private sector spin-outs of larger companies, start-ups or SMEs willing to take advantage of the local innovation eco-system to develop new products and services.

The *Product Development Fund* will focus on the development of concrete and marketable tech-rich products in Qatar. The product should not be in the POC phase, or alpha version. It will financially support Qatar-based companies that are engaged into the development of new technology-rich products. To that end, the *Product Development Fund* will provide co-funding to companies that undertake the development activities required to deliver innovative products and services to the local, regional and international markets.

2.2 Synopsis

- The *Product Development Fund* targets the private sector of Qatar, which seeks to develop new technology-rich products or services.
- Funding will represent up to 50% of the product development cost; the awardee will fund the remainder.
- Funding will only be used to support product development related activities, not pay

- salaries for founders or management or company overhead.
- The applicant company should have already assessed the market and identified potential customers.
 - Awards will not exceed 12 months.
 - Maximum award value is set to 1.2m QAR.
 - While the maximum funding provided by the *Product Development Fund* is capped to 1.2m QAR and can cover up to 50% of the product development costs, QSTP's share of co-funding is at discretion of QSTP based on the documentation and budget request submitted by the applicant.
 - Awards will have a maximum of 4 major milestones with no more than 1 major milestone per quarter.
 - Awardee can submit Request for Payment on a Quarterly basis only at the end of the Quarter; and all payments are made following submission of the Product Development Payment Request Form.
 - QSTP decision to approve or reject a *Product Development Fund* application cannot be appealed by applicants under any circumstances, and does not need to be justified.

3. Guidelines

3.1 Applicants

- Applicant must be a Qatar private sector SME (Small or Medium Enterprise) actively involved in the development of new technology-rich products or services.
 - Applicant SME must be a registered entity in Qatar (registered under the Ministry of Economy & Commerce, Qatar Financial Centre, Qatar Science & Technology Park, or other zone).
 - Applicant SME must be based in Qatar and at least 20% owned by a Qatari individual or entity relevant to the industry, mission and vision of the applicant company. The Qatari owner must be an active member of the Applicant team.
 - Applicant SME must employ no more than 250 employees.
- Companies listed on the Qatar Stock Exchange (QSE) are not eligible candidates for the *Product Development Fund*.
- Applicant cannot be a government authority, entity, institute, etc.
- Applicant commits to (internally or externally) appoint a dedicated project manager for the duration of the product development project.
- Applicant can apply if it received funding for an earlier phase of the product development.
- Applicant cannot be already enrolled in a *Product Development Fund Agreement* at the time of the execution of a new *Product Development Fund Agreement*.

3.2 Supplemental documents

As part of the online application to the PDF, Applicants will submit (upload) the following documents (as .pdf files):

- Mandatory:
 - Copy of the Registration Certificate
 - Most recent financial statements
 - Market research (incl. launch plan)
 - Detailed Budget by Category of Expenditure (use template provided as an attached file)
 - Detailed Budget by Milestone (use template provided as an attached file)
 - Business Model Canvas (use template provided as an attached file)
 - Signed Non Disclosure Agreement
 - If Intellectual Property is involved in the project, the relevant documentation must be submitted.
- Optional:
 - One (1) document providing any additional info to support the Application (such as, but not limited to, corporate presentation, third party market research, patents-related documentation, press clippings).

3.3 Product Criteria

- At the time of applying, applicant must have an existing mock-up or preliminary design

- available to be shown or demoed to QSTP if requested.
- Project plan aims at developing a technology-rich product which must
 - Be innovative (either B2B or B2C);
 - Be competitive on the market;
 - Have a time advantage.
- New product should be of value to the surrounding regional economy.
- New product should have a market (confirmed by a market analysis and any of the following means, but not limited to: potential customers interviews, letters of intent, pre-orders, etc.)

3.4 Intellectual Property

- As the *Product Development Fund* is intended to encourage product creation in the private sector, Qatar Foundation will not assume any ownership of new IP before, during, or after the project completes (unless QF-owned IP is involved in the development of the new product).
- Applicant will certify that it owns or has licensed any Intellectual Property essential to the product development project, when applicable, or that it prefers working under “industrial or trade secrecy”.

3.5 Uses of Funding

3.5.1 Permitted Uses

The awardee is entitled to use the QSTP Product Development funding to cover a portion of the following:

- Personnel costs (only Personnel of the Awardee directly involved in the product development activities, and only for the time proportion of such involvement)
- Contractor costs
- Fabrication and/or manufacturing costs
- Light equipment costs (assessed on a per project basis and at the discretion of QSTP to a maximum of 20% of requested QSTP contribution)

3.5.2 Non-Permitted Uses

The QSTP Product Development funding cannot be used by the awardee to cover any of the following:

- Salary of founders, C-level suite, Board fees, internal or external advisors
- Legal fees and/or IPR costs
- License fees
- Sales and Marketing
- Selling, General, and Admin (including office equipment/IT)
- Overheads of any type
- Travel

3.6 Workflow

- If and when the *Product Development Fund* application is approved, a *Legal Agreement* is prepared by QSTP and executed by the parties, the Qatari Awardee must be physically present to review and sign the Agreement.
- Milestones are clearly defined and budgeted in the *Legal Agreement* schedules.
- All milestone payments are reconciled with invoices (only invoices for transactions up to 5,000 QAR must be submitted, as well as a detailed ledger of all transactions below *and* above 5,000 QAR).
- Awardee must provide regular progress reports (on a monthly, quarterly and annual basis), and he /she along with the team members must have meeting with the PDF team on quarterly bases to review the achievements on the agreed milestones.(the meeting is preferable to be F2F).
- At conclusion of project, product is demoed to QSTP.
- QSTP maintains a 5-year relationship post-product development to understand and quantify impact (revenue, return, etc.).

3.7 Reporting

Reporting (regularity as well as clear description of achievements against milestones) is an awardee's obligation that governs quarterly disbursement of funding.

3.7.1 Monthly Reporting

- Simple documentation or online form.
- Max. 5 bullets describing achievements.
- Max. 5 bullets describing problems/setbacks, if any.
- Summary of cash position (product specific).

3.7.2 Quarterly Reporting

- Detailed description of achievements against milestones.
- Detailed description of problems/setbacks.
- Financial reporting for milestone (incl. attached copies of invoices and ledger).

3.7.3 Annual Follow-Up Reporting

- Description/quantification of
 - sales of the new product during the year
 - new jobs creation in Qatar during the year
 - investments made in R&D/PD during the year
 - investments received
 - any other relevant business information related to the new product

4. Mandatory Templates

4.1 Application form

The Application form must be used to submit your DRAFT application to the PDF team. In the early stage of the application process, the PDF team will help you to improve your application by providing constructive comments and remarks to your draft versions of the application.

The process is as follows:

1. Download the PDF Information Pack that includes information, application forms and other templates
2. Use the attached template to write your draft application and submit it as a Word (.docx) document to the PDF team. Also include the other needed documents (budget, market research, etc). Please do not submit .pdf format files but.docx files only (except for the registration certificate that can be submitted as a .pdf file)
3. The PDF team will read and comment your draft in “redline mode” and will send back to you incl. suggestions to improve your application
4. Steps 2 and 3 will be repeated as many times as needed for your application to be strong enough to be officially submitted
5. You submit the final version as an official application (that will be reviewed and assessed by the PDF Evaluation Committee)

4.2 Non Disclosure Agreement

A signed copy of the Non Disclosure Agreement must be provided as part of the Application. It will protect the technical information and documents that you provide, and will also allow the IP legal team of Qatar Foundation to directly interact with the Applicant to exchange additional technical information if needed.

4.3 Budget Templates

The 2 budget templates must be used to submit your detailed budget in the online application.

Two budget templates must be used and are available in the attached documents:

- Detailed Budget by Category of Expenditure
- Detailed Budget by Milestone

4.4 Reporting Templates

Awardee has the obligation to report on the status of its product development project.

1. On a **monthly basis**, the awardee will submit a light report comprising:
 - Max 5 bullets describing achievement
 - Max 5 bullets describing problems/setbacks, if any
 - Summary of cash position (product specific)
2. On a **quarterly basis**, the awardee will submit a complete report against the current

milestone:

- Detailed description of achievements against milestones
- Description of problems/setbacks
- Financial reporting for milestone (incl. ledger and copies of invoices)

Together with the quarterly report, the Awardee will also submit the *Request for Payment* (template available in the Legal Agreement).

3. **Annual Follow-Up** Template

- For a period of five (5) years following the Termination Date of the *Product Development Fund* Legal Agreement, the awardee must submit a simple annual report to measure the impact of the new product on its sales and returns.

This table should only cover sales and taxes and other business/financial information related to the new product or service co-funded by the awarded *Product Development Fund*.

The 3 reporting templates are provided in the attached files.

5. Examples

5.1 Example of Detailed Budget

Company Name	Qatar Technology llc
Project Title	GPS controlled fertilizer dispenser

Budget by Category of Expenditure (QAR)		
Description	Own Applicant's Contribution	Requested to QSTP
Personnel		
Project Manager. Mr XXX YYY. Will be in charge of..., and will devote x% of his total time to this project	200,000	150,000
Team Member #1. Ms AAA BBB, Will be responsible for..., and will devote x% of his total time to this project	100,000	100,000
Team Member #2. Mr EEE FFF, Will be responsible for..., and will devote x% of his total time to this project	125,000	100,000
Team Member #3 Technical Developer	120,000	100,000
<i>Total Personnel</i>	<i>545,000</i>	<i>450,000</i>

Contractors & Freelancers		
Company XXX. This is a certification lab that will carry out the following:... This contractor is needed because there are no such labs in Qatar	300,000	300,000
Freelancer, Ms GGG LLLL, Industrial Designer. Will be requested to design the user interface	75,000	50,000
<i>Total Contractors & Freelancers</i>	<i>375,000</i>	<i>350,000</i>

Fabrication and/or Manufacturing		
<i>Total Fabrication and/or Manufacturing</i>		

Light Equipment (max 20% of "Requested" TOTAL)		
Oscilloscope Model xxx	40,000	20,000
sensors for testing	30,000	20,000
<i>Total Light Equipment</i>	<i>70,000</i>	<i>40,000</i>
TOTAL	990,000	840,000

Company Name	Qatar Technology llc
Project Title	GPS controlled fertilizer dispenser

Budget by Milestone		
Description	Own Applicant's Contribution	Requested to QSTP
Milestone #1		
main aim: Work principles/goals to achieve the main aim	300,0000	250,000

Milestone #2		
main aim: Work principles/goals to achieve the main aim	250,000	220,000

Milestone #3		
main aim: Work principles/goals to achieve the main aim	250,000	220,000

Milestone #4 (if any)		
main aim: Work principles/goals to achieve the main aim	190,000	150,000

TOTAL	990,000	840,000
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5.2 Example of Quarterly Report

Quarterly Milestone Report

Application ID number	987654
Time Period	01 January 2020 – 31 March 2020
Company Name	Qatar Technology llc
Project Title	GPS controlled fertilizer dispenser

Milestone #1	Identification of the most suitable chemical blends for the stability of the products considering the percentages of use, types of the additives and types of soil. The extruded samples will be analysed in laboratory and fluidity will be measured against dispenser specs and technical features.
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Achievements (max 1,000 characters each)
Detailed description of Achievement #1 during the said Quarter/Milestone
Detailed description of Achievement #2 during the said Quarter/Milestone
Detailed description of Achievement #3 during the said Quarter/Milestone
... Detailed description of Achievement #4 during the said Quarter/Milestone

Problems/ Setbacks (max 1,000 characters each)
Detailed description of Problem #1 during the said Quarter/Milestone
Detailed description of Problem #2 during the said Quarter/Milestone
Detailed description of Problem #3 during the said Quarter/Milestone
Detailed description of Problem #4 during the said Quarter/Milestone

Quarter Cash Position		
Include value of all transactions (both below and above 5,000 QAR each)		
Provide copy of invoices for transactions above 5,000 QAR		
<i>All amounts in QAR</i>	Spent from own Applicant's Contribution	Spent from QSTP funding
Personnel		
Contractors & Freelancers		
Fabrication and/or Manufacturing		
Light Equipment		
Total		

Ledger of Quarterly Milestone Report

Application ID number	987654
Time Period	01 January 2020 – 31 March 2020
Company Name	Qatar Technology llc
Project Title	GPS controlled fertilizer dispenser

Milestone #1	Identification of the most suitable chemical blends for the stability of the products considering the percentages of use, types of the additives and types of soil. The extruded samples will be analysed in
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	laboratory and fluidity will be measured against dispenser specs and technical features.
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Description (mention category of expenditure for each: contractor/freelancer, construction/fabrication, or light equipment)	Provider	Value of transaction (QAR)
Oscilloscope XYZ (Light Equipment)	Company ABCD	
Consumable ... (Fabrication/Manufacturing)	Company SDFG	

TOTAL	
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