



<https://the97.fund/>

The97 COVID-19 Relief Fund

Concept Note

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Executive Summary

The 97 Limited has launched The97 COVID-19 Relief Fund (the “Fund”) in partnership with The Innovation Village. The Fund shall invest in solutions targeting and addressing challenges caused by the COVID-19 pandemic and solutions that prepare Uganda for a post COVID-19 environment. The97 COVID-19 Relief Fund is a part of Uganda’s economic response to the COVID-19 pandemic.

The97 Limited is an Open-end Investment Vehicle (HoldCo) that invests in high growth early stage companies in the creative arts, education, health, agriculture, climate/energy, transport & logistics, manufacturing and fintech sectors domiciled in Uganda with Africa ambitions and potential for jobs of the future at scale. The 97 Limited is managed by Ortus Africa Capital.

Due to the current COVID-19 pandemic that has caused a slowdown in economic activity as well as a significant rise in the unemployment rate. It is estimated that 60%-70% of micro and medium enterprises have had to close their doors as a result of government’s directive to social distance, supply chain disruptions in international imports and exports and declining domestic demand. More than 1 million people have lost their jobs, been sent on unpaid leave or had their salaries unpaid. The ministry of finance has projected that 2.5 million Ugandans are going to fall back into poverty. The 97 Limited has setup a COVID-19 Relief Fund, targeting companies that are responding to the pandemic and also creating jobs in these times. These include areas such as: providing healthcare and PPP; re-imagining business models in the most hit sectors (tourism and services, education); new ways of working (collaborative working, work from home, gig work); supply chains and logistics; digital economy especially market places.

There are currently few incentives at the country level to prioritize epidemic and pandemic preparedness in domestic budgeting cycles. In addition, the preparedness gap is most acute in low- and lower-middle-income countries, with the weakest health systems, limited fiscal space and other pressing development needs.

The COVID-19 Relief Fund is an economic response that shall supports interventions specifically targeting the youth and women as they are expected to be the most hit from the effects of the pandemic. The potential number of jobs created and contribution to livelihoods will be a key metric for the Fund.

The COVID-19 Relief Fund shall offer \$2,000 - \$10,000 as an equity-free grant, with an opportunity for further funding, as well as access to workspace and mentorship. Applications are already being received via <https://covid19.cda.ug/>. Applications that are received are taken through a screening process to identify workable and scalable solutions to the current and future problems as a result of COVID-19, screened solutions shall be put to a Grants Review Committee and selected solutions shall be awarded grants.

The 97 COVID-19 Relief Fund has been seeded with \$100,000 from The Innovation Village. The Innovation Village, led by CK Japheth, has a mission is to unlock and enable potential through innovation. The Innovation Village is Uganda's launch pad for leading Innovators and Entrepreneurs and seeks to solve the problems facing innovators and entrepreneurs such as: market & access to capital, appropriate mentorship and advisory, innovative problem solving not being applied by corporates, governments and development partners and market and connectivity.

The 97 COVID-19 Relief Fund will be managed by Ortus Africa Capital. Kenneth Legesi, CFA who is a Partner at Ortus Africa Capital and CEO/CIO of The 97 Limited shall oversee the Fund.

We welcome partners and actors who would like to support this initiative and invest in The 97 COVID-19 Relief Fund as part of Uganda's economic response to fight back and re-invigorate this economy while distributing opportunity amongst those most hit by the COVID-19 pandemic.

Background and Context

The world is facing an unprecedented challenge with communities and economies everywhere affected by the growing COVID-19 pandemic. As Uganda and the World at large continue to grapple with the negative effects of COVID – 19, it has become imperative for the Government of Uganda to revise its economic strategy to better suit and manage the repercussions of the virus on our economy.

The disruptive impact of COVID – 19 on Uganda’s social and economic landscape is beginning to be felt especially by different businesses. Following the Presidential directives on measures to curb the spreading of the virus, the Minister of Finance, Planning and Economic Development delivered a statement detailing the economic impact of COVID – 19; with economic growth projected to decline from 6% to between 5.2% and 5.7%. It is therefore estimated that 60%-70% of micro and medium enterprises have had to close their doors as a result of government’s directive to social distance, halt in international imports and exports and declining domestic demand. More than 1 million people have lost their jobs, sent on unpaid leave or had their salaries unpaid. The ministry of finance has projected that 2.5 million Ugandans are going to fall back into poverty.

For companies, these projections have never been truer; specifically, we anticipate that COVID – 19 will affect Ugandan companies on both the supply and demand sides. On the supply side, companies could experience a reduction in the supply of labour, as workers are unwell or need to look after children or other dependents while schools are closed and movements of people are restricted. On the demand side, a dramatic and sudden loss of demand and revenue for companies could severely affect their ability to function, and/or cause severe liquidity shortages.

There is no global threat more probable and less well-funded than a catastrophic pandemic. Evidence shows that no country is fully prepared for a pandemic, which is a finding underscored by the rapidly evolving COVID - 19 crisis. “Health security” – preparedness for pandemic threats – is neither the highest priority for the health community nor the security community. Time and again, history has shown that unless the world is in the middle of such a crisis, the issue of pandemic preparedness fails to elicit strong and sustained political support and resourcing.

Currently, there are few incentives at the country level to prioritize epidemic and pandemic preparedness in domestic budgeting cycles. In addition, the preparedness gap is most acute in low- and lower-middle-income countries, with the weakest health systems, limited fiscal space and other pressing development needs. Specifically for Uganda, there is mass unemployment amongst daily wage earners, while the merchant/trader class who are not selling and distributing essential goods are not earning an income. There shall be a knock on effects from non-performing loans and bankruptcies unless livelihoods are restored.

Solution

Interventions Required

While the majority of the focus of interventions in Uganda to date has been on reducing morbidity and mortality, there is a need to build on this and ensure economic and business continuity happens in a way that prepares for long lasting growth and sustainability to also mitigate future crises. The 97 COVID-19 Relief Fund launched the COVID 19 innovation challenge to support promising technology startups and entrepreneurs around the country in scaling and developing solutions that will help Uganda emerge from the coronavirus crisis and create competitive advantage for the post-crisis period in the following areas:

Healthcare Solutions

- Manufacture of healthcare products for frontline works: PPE, Ventilators, Sanitisers and reagents
- Affordable and appropriate healthcare service delivery solutions at scale at low cost

Supply Chains & Distribution

- Solutions that aid efficient distribution of food, products and services in the event of movement restrictions
- Solutions that enable businesses sell online by going digital i.e. creating online stores and remain sustainable, accepting digital payments and providing alternative financing

Last Mile Communication

- Solutions that ensure verified and accurate information reaches even the most remote locations
- Enabling efficient communication through content and graphics in different languages
- Information enabling people to know who to connect with i.e. volunteers, clinics

Productivity

- Solutions that support workflow and allow effective communication on a remote basis and make remote work easier to manage
- Workforce sharing platforms connecting Business to business (B2B) sides for temporary workforce exchange
- Solutions that mobilise participation at a household level in cottage and artisan industries
- Solutions that kick start local manufacture of crucial goods and services

Tourism, Education and Services

- Solutions that re-invent business models in tourism, education and services delivery to allow continued services and experience in a low touch environment
- Solutions that respond to shifts in consumer behavior

Structure

The Fund will seek to gain exposure to high quality capital-efficient early stage companies that can offer the above solutions.

Once invested, the companies will benefit from the active mentoring given to them through technical assistance and follow-on support while leveraging corporate and development partners to ensure access to markets, skills and expertise to scale and grow.

The 97 COVID-19 Relief Fund is under The 97 Limited is part of building out an appropriate funding structure and vehicle for providing appropriate much needed patient early stage capital in the Ugandan ecosystem¹. To this end, the Fund will encourage and take funding in grant or debt or equity form to allow further funding in the identified solutions. The Fund shall do this by co-invest with local investors (angel networks, HNWIs) and the wider community of investors, which includes corporates, government, development partners, family offices, foundations and VCs.

The 97 Limited already has a commitment of \$100k from The Innovation Village towards The 97 COVID-19 Relief Fund. To date, a grant of \$1k has been made to an e-commerce and financial services business which will be used to onboard micro merchants to sell on their digital platform and to continue trading during and after COVID-19 and in the process improve livelihoods and create employment.

The 97 Limited now seeks further contributions towards The COVID-19 Relief Fund from corporate sponsors, development partners, government bodies and entities, individuals towards supporting appropriate relief for entrepreneurs and small businesses in Uganda.

Pipeline Sourcing

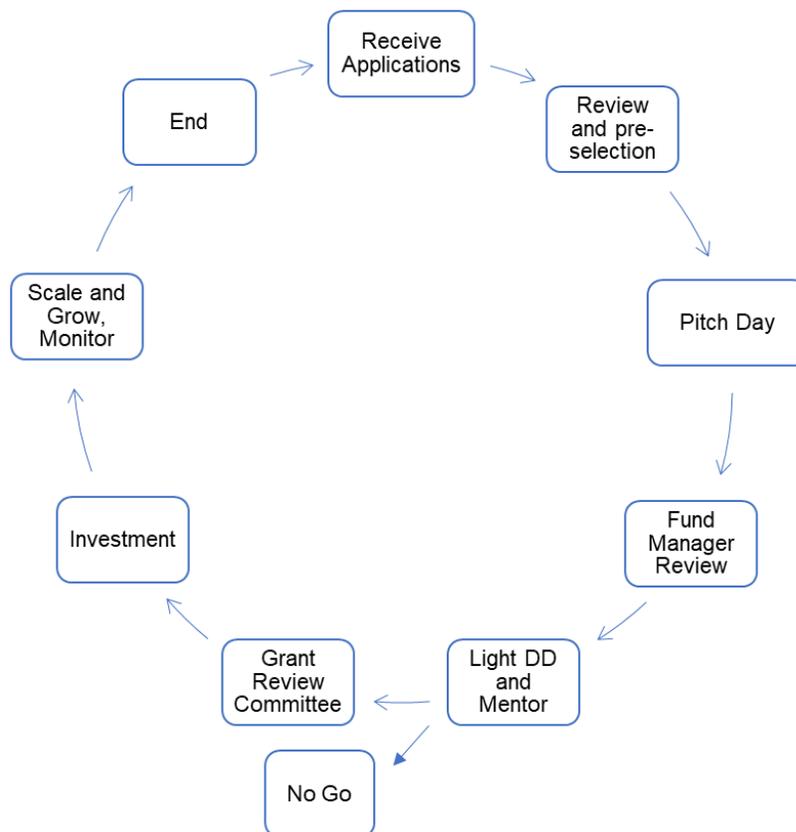
The 97 Limited shall work with various partners to be able to source solutions in line with the interventions required. The following channels shall be used for pipeline sourcing:

- To apply for funding, applications will be done via <https://covid19.cda.ug/>. Applications will be received and screened to ensure that the business model provides workable solutions to current problem being faced.
- The Innovation Village (TIV) regional locations across the country (Kampala, Gulu, Jinja and Mbarara) and through its various departments – to mobilise solutions from physical locations and allow regional location specific solutions to be supported
- Ecosystem Partners – The 97 Limited has engaged with and works with pipeline sourcing partners especially organisations that work with the youth and women, vulnerable and marginalized groups. These include Outbox, Zimba Women, Rego Foundation and Startup Uganda.

¹ <https://digestafrica.com/7-considerations-to-be-made-when-coming-up-with-ugandas-youth-venture-capital-fund-3-0>

Selection Process

The process for identifying and selecting the eventual grantees shall be as summarized in the diagram below:



The above cycle will be repeated with an aim to disburse 3-4 grants every two (2) months over the next 12 months after which the Fund shall be reviewed.

The Fund Manager will then evaluate the businesses and undertake a light due diligence on the companies that have passed the review and pre-selection stage. They will be invited to a pitch is will then be followed by writing and presenting an Investment Committee Paper to the Investment Committee with the companies that have passed the initial screening process. These will be reviewed and screened by the committee and a conditional approval given.

The Manager will then undertake an extensive due diligence review of the companies and develop an investment thesis with respect to such a prospective investee company in accordance with the Investors' Agreement. As part of the Manager's due diligence process, all prospective investees will be subject to independent financial due diligence conducted by The Manager.

If, following the completion of due diligence, the Manager believes that the Fund should make an investment in such a prospective investee company, it will then submit such a prospective investee company to the Investment Committee for its final approval. Upon final approval by the Investment Committee, the Manager will submit such a prospective investee company to the Board for its final approval. Investment Agreements will be entered into.

Beneficiaries

The 97 COVID-19 Relief Fund shall offer \$2,000 - \$10,000 as an equity-free grant to catalyse solutions with an opportunity for further funding, as well as access to workspace and mentorship. The funds given out will especially be to navigate COVID-19 and Post COVID-19 business models with a focus on creating jobs now and for the future, especially targeting the youth and women.

The investment as relief shall enable the solutions to undertake essential company operations for example hiring critical staff members, investing in capital expenditure or implementing a marketing strategy, completing an MVP or building out technology.

Solutions identified shall benefit from the following:

- Opportunity to present their solutions to an expert panel and receive feedback.
- Opportunity to receive support from the 97Covid Relief Fund in form of Cash and / or Technical support i.e. active mentorship to scale and grow solutions.
- Access to Partners
- Platform to Potential Investors

The97 will continue to design and deploy initiatives to skill and equip more entrepreneurs with relevant business knowledge to help succeed in their ventures, create new high-value jobs, attract new investment and drive growth. In addition, we shall proactively engage and spur activities that prioritize the inclusion and empowerment of women and youth.

Impact and Rationale

The fund has been set up extensively to provide support to companies that can offer employment opportunities to youth and women during and after the pandemic with collaborative working, work from home, gig work and digital economy enablers.

Investing in the sectors identified during this period is high impact and seeks to provide consumers with basic and essential needs to take them through the pandemic especially following Presidential directives to observe

social distancing and the lockdown. For example, Supply Chain and Logistics businesses can contribute especially through linkages and delivering of essential products to consumers while at home and in essence creating employment opportunities on a large scale, Healthcare and Pharma and e-commerce, to provide the much needed medical services and retail products to consumers for example through reaching them at home, Augmented Reality/Virtual Reality (AR/VR) enable sectors like tourism to re-invent their business models and stay relevant while enabling employment and working from home during this time and in a low touch environment in the future through video/audio and AR/VR experiences.

Team

Ortus Africa Capital

The 97 COVID-19 Relief Fund is managed by Ortus Africa Capital, an advisory and investing firm based in Kampala, Uganda. Ortus Africa Capital guides and advises investors on investment decisions in the alternative investments' asset class with a focus on Africa. This includes advisory and investments in Venture, Private Equity, Credit, Infrastructure & Real Assets. Ortus Africa Capital does this by working with partners and building a multi-asset investment platform for Africa to allow local, regional and global investors to participate in the alternative investments' asset class in Africa.

The Management team of Ortus has in-depth experience of tailoring investment structures to the needs of the individual investee, including both equity and medium/long term debt. Individually the team at Ortus Africa Capital have been Co-Founders, Mentors, Advisors and Managers of early stage businesses with over 35 years' experience between them especially in the Uganda/East Africa market.

Ortus Africa Capital has experience delivering similar grant plus technical assistance support programmes for entrepreneurs and early stage companies including the current Future of Work programme being run by The Innovation Village under the Next Wave Programme.

The Innovation Village

The Innovation Village's mission is to unlock and enable potential through innovation. The Innovation Village is Uganda's launch pad for leading Innovators and Entrepreneurs and seeks to solve the problems facing innovators and entrepreneurs such as: market & access to capital – there is no access to seed and venture capital; appropriate mentorship and advisory - many early stage ventures do not have appropriate sector or functional expertise and advice; innovative problem solving not being applied by corporates, governments and development partners; market and connectivity - information, network-effects, and relevant leads are difficult to find.

The Innovation Village uses a conglomerate business model building a physical, intellectual, and financial infrastructure to grow SME's in Uganda. In under 3 years, The Innovation Village has converged 130 start ups totaling 2,000 entrepreneurs with 40% young women across key sectors namely Agribusiness, Fintech,

Climate/ Energy, Health, Media and EdTech by bringing together various players in the ecosystem to experience the role of innovation for socio-economic transformation. The Innovation Village works through four (4) divisions, working with a team of 30 staff – (1) Place and Space; (2) Innovations as a Service; (3) Ventures; and (4) Technology and Data

Team Profiles

Kenneth Legesi – Partner/Chief Investment Officer

Kenneth is a Partner at Ortus Africa Capital. He is a dual civil engineering/infrastructure and finance/investment professional with 17 years of extensive experience in the delivery of infrastructure/real estate projects and has conducted similar engagements for both public and private sector clients. He has over Management consulting experience He is also has experience as an investor, advisor and co-founder to early stage businesses.

Kenneth is passionate about catalyzing financing and developing innovative funding models for start-ups and SME businesses in Africa. He develops strategies and helps businesses execute on and operationalize their strategies including raising financing and supporting management teams. He has experience working with and advising businesses across multiple sectors including financial services, real estate, technology, utilities, manufacturing, health sciences and public sector organizations.

Kenneth is also Co-Founder and CEO/CIO at The 97 Limited where he combines his knowledge and experience to date in starting and co-founding businesses, together with management consulting, corporate finance and investment skills. This includes lessons and experience from building and or supporting ventures such as www.xente.co , www.digestafrica.com , www.cognitiveinsights.io , <https://innovationvillage.co.ug/> , www.kain.co.ug , <https://tukole.ug/> , <https://www.kumikumi.org/> , <https://www.swipe2payug.com/>, and <https://famunera.com/>

Alice Muwonge – Financial Controller

Alice is a highly competent and skilled Finance & Administration management and Audit Manager with over 18 years' experience working in Uganda and Sub Saharan Africa. She has led start-up donor fund management projects and audit teams through challenging periods of change, flexibility and creativity whilst maintaining focus on deliverables, both in terms of meeting commitments to clients and ensuring the requisite quality. She has strong expertise in Donor Aid Fund Management, grant management, financial advisory services, financial analysis, procurement reviews, financial reporting, stakeholder management, financial due diligence, taxation, program management and external and internal audit, risk management, Training, Recruitment, Leadership and Coaching.. She takes responsibility for the development and continued motivation of the team. She has excellent prioritization skills, enabling her to balance the conflicting demands on my time, while

working under minimum supervision and provide ongoing support to the team as well as effective engagement with stakeholders. Alice has managed a number of high profile audit assignments while continually developing my own skills through exposure to different assignments and I am a very quick learner. She has also worked on several grant programmes such as Engagement Manager on a USAID Refugee Third Party Monitoring Programme; Finance Director with the Secondary Science and Mathematics Teachers' Programme (SESEMAT) and the Karamoja Primary Education Programme (KPEP) both funded by Irish Aid; Programme Manager/Accounting and Audit Specialist on a Global Sanitation Fund programme (GSF) – for the provision of Country Programme Monitor services; Director Grants and Sub-contracts for the USAID's Malaria Action Program for Districts (MAPD). She has prior experience as an Audit Manager/Senior/Associate with Deloitte's Audit practice, advising clients in the construction, financial services, manufacturing and public sector.

CK Japheth, CEO and Founder, The Innovation Village – Grant Review Committee

Japheth is building The Innovation Village; Uganda's launch pad for leading Innovators and entrepreneurs co-creating the future through the smart application of technology to unravel challenges and create unique solutions. He works with mission-oriented entrepreneurs to capture new value from digital—creating products, experiences, and businesses. He helped set up The CEO Summit; a community of the top 100 captains of business and industry to dialogue and shape trends driving Uganda's economy with the Ministry of Finance Planning and Economic Development. Japheth, a certified Human Capital Strategist, formerly he was Head of Talent at Uganda's largest utility, his mandate was to put the best Talent behind the company's corporate strategy.

Appendices

Solutions Identified

To date through applications received at covid19.cda.ug run by The Innovation Village and other pipeline sourcing channels, The 97 Limited has identified a number of companies that we are currently taking through the above review and pre-selection process.

No	Company	Theme	Solution
1.	Design Without Borders www.designwithoutborders.com/	Last Mile Content Dissemination	Designed graphic content that communicates key information related to COVID-19 in different media formats - in various local languages
2.	Minute 5 www.minute5.ug/	Supply Chain & Distribution	Grocery delivery digital platform. Groceries are sourced from various market/ market suppliers and delivered to the client. Supports market suppliers, enabling sell of their produce, and without leaving your home, groceries are delivered to your doorstep.
3.	Xente App www.xente.co/	Supply Chain & Distribution	Platform that enables businesses / shops to list and sell products to over 50,000 customers and 50+ businesses using the Xente App.
4.	MoTIV – Makers of The Future	Health	Enabling tailors get jobs and enabling production of locally made medically approved masks that can be worn by civilians in public
5.	Farmunera www.famunera.com/	Agriculture - Supply Chain & Distribution	Delivers agro-inputs i.e. seeds, fertilizers, pesticides, fungicides, herbicides, irrigation equipment, farm tools, animal feeds and feed supplements to small holder farmers within 1

			day anywhere in Uganda. Enables continuity of farming productivity regardless of restricted movement.
6.	Sun-Beats Ventures Ltd, based in Jinja https://web.facebook.com/sunbeatsdc=1&.rdr	Distribution	Supply and deliver all foods, fruits, vegetables and other key merchandise that individuals need in their homes. Sun-beats ventures receive orders from individuals and make purchases and deliver these orders at the customers' door steps.
7.	MyDuuka https://www.myduuka.com/	eCommerce	A Multi-tenant Platform for creating online shops for brands, local manufacturers and entrepreneurs. A platform where they can sell independently. Today's local buyer needs a platform where they can purchase products from the manufacturer directly for authenticity and affordability. This is MyDuuka. MyDuuka is enabling merchants to still sell.
8.	M-Omulimisa https://m-omulimisa.com/	Agriculture	Enabling agricultural productivity by leveraging technology to support smallholder farmers improve their access to information and services needed to sustainably increase productivity and income including e-extension, agriculture insurance, agricultural loans and inputs distribution.
9.	Teach my Child https://teachmychild.info/	Education	Facilitating remote learning with bite-sized online tutoring sessions within the community. Rather than covering entire subjects, teach my Child focuses on short interactive sessions for concrete tasks, assignments, or a piece of homework. To safeguard everyone involved, all sessions

			will be reviewed and personally accompanied by a Teach My Child team member.
10.	Maarifasasa https://shulesasa.nextthoug ht.io/login/	Education	Shulesasa is a Learning Management System that offers the easiest way to manage training and online learning remotely.
11.	BodaBe www.bodabeapp.com , Jinja	Supply Chain & Distribution	Multi-service booking & delivery platform. By using the mobile app or call centre, customers can book a ride for packages and have orders delivered from restaurants, pharmacies and markets delivered to them on-demand.
12.	Tripxio	Supply Chain & Distribution	Prototype - The Tripxio solution can help small businesses create online stores, distribute their inventory online, accept customers, accept payments and remain sustainable during the pandemic. The solution allows them to create stores in the form of e-commerce websites, list multiple products on a simple yet modern interface, and a basic back end to manage purchases, payments and distribution. Merchants will be registered, helped to upload their products and they can easily start selling.
13.	Attravibe	Education	Prototype - An online content exchange platform for University students, lecturers and publishers remotely especially in times of University shut down due to the Coronavirus pandemic. Students access well refined notes, textbooks and journals from

			<p>trusted publishers and their lecturers remotely at very affordable prices. Prototyped with four universities</p>
14.	Teach My Child	Education	<p>Prototype- A platform, to provide free, quick, uncomplicated, personal, interactive, and task-based remote tutoring sessions.</p>
15.	Ponji Educare	Education	<p>Prototype - Ponji is a digital platform that enables both young African learners and educators to acquire/ distribute skills and knowledge remotely. Our subject categories range from formal to experimental to informal learning experiences including but not limited to STEAM, Financial literacy, animation, critical thinking, entrepreneurship, literacy and so much more.</p>