



GEORGIA'S INNOVATION &
TECHNOLOGY AGENCY

INNOVATIVE STARTUP ACCELERATION PROGRAM

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Glossary of Terms/Definitions

Acceleration - An innovation support mechanism that involves providing a workspace for an innovative activity entity selected through a competition, developing and refining its business idea and model, and, if necessary, making investments determined by the terms of the relevant competition.

Acceleration Program - "Innovative Startup Acceleration Program" approved by Ordinance #96 of the Government of Georgia of March 31, 2025, which includes an acceleration component and access to finance component.

Acceleration component - the acceleration process, which includes the three phases defined in Chapter 3 of the manual for each stream.

Access to finance component - grant funding for startup companies in the second and third phases of acceleration by LEPL-Georgian Innovation and Technology Agency.

Applicant Accelerator – An organization which submits an application to implement the Acceleration Program.

Accelerator Beneficiary – The Accelerator which is selected for the program implementation

Accelerator Grant - A grant disbursed to the Accelerator beneficiary for the implementation of the Program.

Accelerator Grant Agreement - A grant agreement concluded between the accelerator and GITA within the framework of the Acceleration Program defined by this Manual.

Application - An application submitted by an applicant accelerator for the purpose of participating in the program.

Demo Day - an event where startup founders present their business ideas, products, and progress to a gathered audience of potential investors, mentors, and the wider entrepreneurial community.

GITA – LEPL Georgia's Innovation and Technology Agency under the Ministry of the Economy and Sustainable Development of Georgia.

Minimum Viable Product (MVP) - a product with basic features that allows a startup company to test the product on users, gather feedback, and improve the final product.

Startup Applicant - A legal entity that submits an application to participate in the Accelerator Program in accordance with the requirements set by this Manual.

Startup Company - an innovative and technological entity registered under Georgian law, possessing a business idea with the potential to enter and scale the global market.

Startup Beneficiary – startup that has been selected for participation in the Acceleration Program.

Startup Grant – A grant disbursed to Startup beneficiary.

Startup Grant Agreement - A grant agreement concluded between a selected startup and GITA within the framework of the startup grant component.

Startup Project Budget - the comprehensive breakdown of the total requested budget for the grant project, detailing eligible expenses and funding allocation in line with the program's requirements, which is an annex of the Grant Agreement between the Startup Grant Beneficiary and GITA.

1. Program Objectives

The goal of the program is to strengthen Georgia's startup ecosystem by enhancing the investment potential of innovative and technology-driven startup ideas and supporting their entry into global markets.

The program will promote:

- The development of technological and innovative solutions, contributing to the global competitiveness of Georgian companies.
- The advancement of startup founders' skills and knowledge, preparing them to build scalable businesses.
- The development of minimum viable products (MVPs) and the strategic positioning of products in both local and international markets.

2. Selection Process for Accelerators

The Ministry of Economy and Sustainable Development of Georgia will ensure the announcement of the Call for Proposals.

To participate in the selection process, interested accelerators must submit an application that includes the information specified in Annex 1, along with the required supporting documents.

GITA will conduct a desk review of applicant accelerators to verify compliance with the program requirements, including:

- The applicant is a legal entity or a consortium of legal entities.
- The accelerator has a minimum of 8 years of experience in managing acceleration programs.
- The Managing Director of the accelerator has at least **15 years of combined experience** in entrepreneurship, executive-level business leadership, and angel investing or venture capital.

- The accelerator involves at least **10 mentors**, each with no less than **10 years of mentorship experience**.

Applicants who meet the abovementioned requirements will be invited to an **interview with the Selection Committee**.

Based on the decision of the Selection Committee, GITA will **sign a grant agreement with four selected accelerators**.

2.1 Call for Proposals

GITA announces a Call for Proposals for the Applicant Accelerators. Proposals are submitted electronically. The proposal should contain the information outlined in Annex 1 of the Manual. GITA reserves the right to request supplementary documentation at any point during the whole process of application and selection. This could include, but is not limited to, letters of recommendation or any other relevant information deemed necessary for a comprehensive evaluation of the application.

2.2 Evaluation and Selection Process

Any application that successfully passes the desk review will be invited to an interview with the Selection Committee. The interview consists of a proposal presentation and a Q&A session.

The application is assessed by the Selection Committee based on the following criteria and scoring system.

Table 1.

	<u>Criteria</u>	<u>Description of the Criteria</u>	<u>Score</u>
1.	Organization's Track Record and Experience	Demonstrated experience in running successful accelerator programs, with clear evidence of startup growth, funding raised, and market expansion from previous cohorts. <ul style="list-style-type: none"> ▪ Strong portfolio of alumni startups that have successfully secured investment or scaled operations. ▪ Number of alumni startups exits ▪ Assets under management 	<u>25</u>
2.	Program Design, Structure and Office Space	<ul style="list-style-type: none"> ▪ Customized curriculum in alignment with Georgia's specific startup challenges ▪ Program timeline ▪ Office space 	<u>15</u>
3.	Mentors' Experience	<ul style="list-style-type: none"> ▪ Experience and Qualification of Mentors 	<u>15</u>

4.	Operations Team	<ul style="list-style-type: none"> Composition of the operational team Experience of the operational team 	<u>15</u>
5.	Innovation/Value Added of Proposal and Additional Perks	<ul style="list-style-type: none"> Post-program benefits Additional investment offers from the accelerator Mobility of startups within the framework of the acceleration program in target countries The opportunity to integrate local mentors, investors, and industry leaders into the program. 	<u>20</u>
6.	Program Budget	<ul style="list-style-type: none"> Compliance with the submitted budget with the accelerator activities. 	<u>10</u>

Each member of the Selection Committee will individually evaluate the application on a scale of 1-100. The final decision will be made based on the average score.

Accelerator Grant Agreement

A grant agreement will be signed with the four selected accelerators. Within the framework of the grant agreement, the accelerator must ensure the implementation of four 12-month acceleration cycles.

The acceleration component will be implemented by the winning accelerators with a six-month interval, which means that two accelerators, based on a random selection principle, will begin implementing the component in the first month of the year, and the remaining two in the sixth month of the year.

The specific timelines for the implementation of the acceleration component by accelerators will be regulated by the accelerator grant agreement.

The term of the grant agreement for the implementation of the second, third, and fourth cycles will be extended by the respective 12-month periods if:

- The Accelerator fulfills its obligations under the Grant Agreement.
- According to the submitted reports, the evaluation indicators for the reporting period have been met and approved by GITA.

3. Acceleration Program Structure

GITA, operating under the Ministry of Economy and Sustainable Development of Georgia, is responsible for overseeing the program's execution, designing its framework, and supervising its implementation to ensure the timely and efficient achievement of objectives.

The acceleration component to be implemented by the beneficiary accelerator for cohort includes three stages:

Stage I - Selection of startup companies by accelerators, intensive training, and mentorship, whose founders have a business idea with the potential to enter the global market and the appropriate competence to implement it. In this phase, each accelerator will select 40 startup companies each year.

Stage II - Intensive training and mentorship of startup companies involved in the accelerator and support in the development/refinement of a "minimum viable product", to adapt the startup company's product to market needs and make it competitive. In this phase, each accelerator will select no more than 20 startup companies each year.

Stage III - Training and mentoring of startup companies involved in the accelerator through individual support mechanisms tailored to them, which include developing sales strategy, entering global and/or regional markets, growing the product's user base, and generating revenue. In this phase, each accelerator will select no more than 10 startup companies each year.

Stage 1: Founder-Market Fit

This stage is designed to help founders refine their business concepts, understand market needs, and validate their startup ideas through structured mentorship and coaching. The duration of Stage 1 is 2 months, and 40 startups will be mentored.

Key Focus Areas for Stage 1:

- Founder's unique capabilities and competitive edge
- Identifying and analysing market opportunities
- Customer discovery and problem validation
- Business model refinement and product positioning
- Developing an early-stage pitch deck for potential investors
- Financial planning and budgeting

At the end of this stage, startups should have a validated problem-solution fit and a deeper understanding of their target market.

Stage 2: Minimum Viable Product (MVP)

In this phase, startups focus on developing a functional MVP that can be tested in the market. The goal is to create a version of the product that provides enough value to attract early

adopters and validate user needs. The duration of Stage 2 is 4 months, and up to 20 startups will be mentored.

Key Focus Areas for Stage 2:

- Designing and building the first working prototype
- Running user testing and collecting feedback
- Refining product features based on early customer interactions
- Establishing a business model and initial revenue streams
- Identifying potential product-market fit

Second-stage startups will benefit from the program's financial access component, which involves grant funding of 50,000 GEL for each startup.

Stage 3: Market Entry

The final stage of the program is dedicated to helping startups enter the market, scale operations, and secure long-term business success. The duration of Stage 3 is 6 months, and up to 10 startups will be mentored.

Key Focus Areas for Stage 3:

- Implementing a go-to-market strategy
- Developing customer acquisition and retention strategies
- Scaling business operations and expanding sales channels
- Preparing for investor pitches and securing additional funding
- Expanding internationally through strategic partnerships and investor networks

Startups selected for the third stage of the acceleration program will receive a grant of GEL 150,000. The grant will be disbursed in accordance with the rules and procedures outlined in Chapter 6 of the Manual.

Startups will be showcasing their innovations to investors, potential partners, and industry leaders at the Demo Day, to have an opportunity to secure further funding and growth opportunities.

The accelerator is also authorized to organize a demo day at the end of the first and/or second stage of the program.

Post-program Support for Startup Companies

The Acceleration Program is designed to provide long-term value to participating startups beyond the structured program stages. The post-program support will be tailored to meet the evolving needs of each startup and is suggested to include the following:

- Development of an alumni network that offers regular events, enabling participating startups to connect with mentors, potential investors, and industry experts.
- After the completion of the acceleration cycle, startup business consulting (in terms of refining and scaling the business model).
- Mobility of startups within the framework of the acceleration program in target countries.

4. Grant Disbursement, Reporting and Monitoring of the Accelerator

4.1 Grant Disbursement and Reporting

The grant is awarded in accordance with the budget provided in the grant agreement, according to the following scheme:

- Based on the Inception Report, an advance payment of 30% of the grant amount will be made after the grant agreement is signed, but no later than 1 month before the start of the acceleration cycle.
- The remaining 70% of the grant amount must be distributed into 3 tranches and will be disbursed based on quarterly reports submitted by the accelerator in accordance with the budget provided for in the agreement.
- The quarterly report must be submitted no later than 10 days after the end of each quarter. The grant will be transferred only after the report is approved.

Inception Report

The Inception Report should include detailed information on planned and implemented marketing campaigns, selected mentors, operations team, startup application process, selection criteria, syllabus, and first quarter budget. This advance payment is intended for the implementation of initial stage activities, such as headhunting, program marketing, etc.

Quarterly Reports

The quarterly report for the relevant stages should contain the information presented in Table 2.

Table 2

Mentors	<ul style="list-style-type: none"> • Mentors and their expertise • Workshops and Sessions conducted by mentors
Syllabus and Program Structure	<ul style="list-style-type: none"> • Modules covered in the reporting period • Key Learning Outcomes for Startups
Marketing & Outreach Campaigns	<ul style="list-style-type: none"> • Campaigns Conducted • Metrics: Total Reach; Click-through Rate (CTR) • Upcoming Campaigns Planned
In each Stage, Startup Applications & Selection Process	<ul style="list-style-type: none"> • Total Startups Applied for the Stage • Industries Represented by Startups • Selection Criteria • Total Number of Interviews Conducted (any selection procedures that were conducted) • Interview Results: Selected startup [application number], non-selected [application number] • Startup Profiles (with industries) • Founders of Beneficiary Startups • Products/Services of Beneficiary Startups: [Short Description] • Development stage of Beneficiary Startup: [idea stage, MVP, Revenue, etc.] • Value Proposition of Beneficiary Startup
Additional notes and next steps	<ul style="list-style-type: none"> • Challenges faced • Opportunities identified • Upcoming milestones
Accelerator Budget	<ul style="list-style-type: none"> • Detailed budget of next quarter

Final Report

After the completion of the Acceleration Process, the final report is submitted no later than one month after the end of the third phase. The final report must include the information indicated in Table 3.

Table 3.

Key Performance Indicators for Accelerator	<ul style="list-style-type: none"> • Mentorship effectiveness of accelerators • Operational effectiveness of accelerators • Valuation of cohort startups • Funding Raised by cohort startups • Revenue generated by cohort startups • Network Strength • Jobs created
Mentor Profiles & Contributions	<ul style="list-style-type: none"> • Total Mentors Involved in Cohort: [Number] • Mentor Information: [Expertise] - [Sessions Conducted] • Total Hours of Mentorship: [Number] • Feedback from Startups
Startup Metrics & Performance	<ul style="list-style-type: none"> • Relevant startup performance metrics must be provided
Final Reflections & Recommendations	<ul style="list-style-type: none"> • Key Learnings from the Cohort • Challenges Faced & Solutions Implemented • Recommendations for Future Cohorts

4.2 Accelerator Monitoring

Monitoring of the acceleration component involves evaluating the accelerator's performance against predefined assessment indicators, based on the reports submitted by the accelerator.

If necessary, the Agency is authorized to request any information or documents related to the implementation of the grant agreement.

Accelerator Grant Agreement Termination

GITA is authorized to unilaterally, fully or partially, suspend or terminate the Accelerator Grant Agreement in the event of a violation of the terms and conditions specified in the Acceleration Program or Grant Agreement.

Grounds for suspension or termination include, but are not limited to:

- The Accelerator Beneficiary's failure to deliver promised mentorship, training, or resources as outlined in the Accelerator Grant Agreement.
- The Accelerator Beneficiary's failure to follow procedures and timeline as outlined in the Manual.
- The Accelerator Beneficiary's failure to provide access to investment opportunities or investor networks as contractually promised.
- Breach of confidentiality or mishandling of the startup's sensitive information and IP rights.
- The Accelerator Beneficiary's failure to monitor and mentor Startup Beneficiary's grant expenditure.
- The Accelerator Beneficiary's failure to grant GITA access to inspect project implementation, operations, and relevant records or documents, or to provide requested information regarding the project's execution.
- The Accelerator Beneficiary's failure to inform of any significant changes to the Program and Startup Project Budget.

In case of unilateral termination of the Agreement, GITA shall notify the Beneficiary Accelerator in written form about the breach and request it to correct within two (2) weeks of receipt of the notice. If the Beneficiary Accelerator fails to correct the breach within the set period, GITA have the right to terminate the Grant Agreement.

If termination of Grant Agreement occurs during the Program implementation period, Accelerator Beneficiary will not be eligible to receive unutilized tranches.

5. Key Performance Indicators for Accelerators

The goal of defining Key Performance indicators is to evaluate the overall success and long-term impact of the accelerator. These indicators focus on alignment with the strategic objectives of the program.

Key Performance Indicators:

- Mentorship effectiveness of accelerators
- Operational effectiveness of accelerators
- Network Strength
- Valuation of cohort startups
- Funding Raised by cohort startups
- Revenue generated by cohort startups
- Job Creation

6. Startup Grant Administration and Monitoring

Startup grant funding will be provided by GITA to startups selected in Stages 2 and 3, based on an agreement signed between the startup and GITA. The grant agreement must be accompanied by a budget that has been approved by the accelerator.

Each startup in Stage 2 will receive a grant of 50,000 GEL, and each startup in Stage 3 will receive a grant of 150,000 GEL. The transfer will be made based on the approved budget by the accelerator.

The startup must utilize the funding in accordance with the approved Startup Project Budget. These reports should adhere to consistently applied accounting standards on a cash basis, ensuring they accurately reflect the project's operations, resources, and expenditures.

Within the framework of the Access to Finance component, GITA will conduct financial monitoring of 30% of beneficiary startups on a random selection basis. If necessary, financial monitoring of all companies financed by the program will be carried out.

Selected startups must submit financial documents, including the Statement of Expenditure (SOE), Designated Account Reconciliation Statement, Financial Report, and bank statement from the grant account within 10 days of GITA's request. If necessary, GITA reserves the right to request original expense documents and related financial records.

For any discrepancies in the financial report that can be corrected or reasonably justified, the Startup Beneficiary must revise and resubmit the report following GITA's written notification. GITA may conduct additional reviews as needed.

Any modifications to the Startup Project Budget require approval from the Accelerator and must be formally communicated to GITA in written form. Such changes will only take effect once the Accelerator has received GITA's written approval.

6.1 Eligibility of Costs

Only eligible costs can be covered by a grant. Costs that meet all the criteria listed below can be considered as eligible:

- Are incurred as per the approved Startup Project Budget.
- Are incurred and paid during the project implementation period.
- Are reasonable and necessary for the implementation of the project.
- Are recorded in the accounting books of the Startup Beneficiary.
- Correspond to the local tax legislation.

Startup Project Budget should be structured and organized in the following manner:

- Salaries

- Goods and Services
- Long Term Assets
- Other costs: any cost that is not covered by the above-mentioned budget categories.

6.2 Ineligible Costs

Costs that will not be considered for financing from GITA grant funds include:

- Interest or debt owed to any party.
- Expenditures and provisions for possible future losses or debts.
- VAT, profit, and import tax as per exemptions provisioned for grantees in the relevant Articles of the Tax Code of Georgia. In case of Value Added Tax, Startup Beneficiary may pay for the VAT from grant funds, however, such payments shall not be regarded as eligible costs and therefore not be included in the list of expenditures in the quarterly financial report.
- Items already financed through another framework, program or company/institution (prevention of double financing).
- Currency exchange losses; fees and penalties.
- Entertainment and hospitality costs.

Apart from the ineligible costs, Startup Beneficiary shall not make payments in physical cash and shall only pay for costs incurred for project purposes from the designated bank account.

If ineligible costs are identified in the Financial Reports, the Startup Beneficiary is required to refund the specified amount to the designated state treasury account within one month of GITA's request.

6.3 Startup Grant Agreement Termination

GITA is authorized to unilaterally, fully or partially, suspend or terminate the Startup Grant Agreement in the event of a violation of the terms and conditions specified in the Grant Agreement.

Grounds for suspension or termination include, but are not limited to:

- The Startup Beneficiary's failure to prepare financial documentation in accordance with existing reporting standards, which is necessary to fully present the project's operations, resources, and costs
- The Startup Beneficiary's failure to prepare financial statements in accordance with consistently applied accounting standards, ensuring accurate reflection of the project's operations, resources, and expenditures.

- The Startup Beneficiary's failure to grant GITA access to inspect project implementation, operations, and relevant records or documents, or to provide requested information regarding the project's execution.
- The Startup Beneficiary's failure to inform of any significant changes to the Startup Project Budget.

In case of suspension of financing, GITA will send a written notice to the Startup Beneficiary with information about the existence of a breach and with a request to the Startup Beneficiary to rectify the breach within two (2) weeks after the date of receipt of the notice. In the case the Startup Beneficiary does not resolve the default, GITA has the right to terminate the Startup Grant Agreement.

In case of termination of financing due to the breach of any terms of the Startup Grant Agreement, the Startup Beneficiary will be required to refund full or partial amount disbursed by GITA under the Startup Grant Agreement, excluded the expenses recognized as eligible by GITA.

If the contract is terminated by GITA during the monitoring of a beneficiary startup that has already moved to stage 3, the Accelerator is obliged to terminate the beneficiary startup's right to participate in the acceleration.

If the Startup Beneficiary terminates the Startup Grant Agreement or leaves the Program, the Startup Beneficiary shall be obliged to refund to GITA the entire amount disbursed to the Startup Beneficiary excluded the expenses recognized as eligible by GITA.

7. Fraud Prevention & Conflict of Interest

The program includes strict mechanisms to prevent misuse of resources:

Fraud Detection Mechanisms

To safeguard the integrity of the acceleration program, GITA has implemented a fraud prevention and detection framework. This system includes:

- **Regular Financial Monitoring:** Periodic and random monitoring conducted by GITA's financial monitoring team.
- **Transaction Verification:** Checking reported expenditures with bank records, receipts, invoices, contracts, etc.

Conflict of Interest Management

All individuals involved in the accelerator program, including mentors, selection committee members, and program staff, are required to disclose any potential conflicts of interest. Key measures include:

- **Mandatory Conflict of Interest Declarations:** Prior to involvement in the selection or mentorship process, participants must submit written disclosures.
- **Independent Selection Committee:** Ensuring that funding and selection decisions are made without bias or personal interest.
- **Strict Compliance Policies:** Clear guidelines prohibiting program staff and mentors from engaging in financial dealings with startups they oversee.

Corrective Measures

If fraud or non-compliance is detected, GITA will enforce the following actions based on the severity of the violation:

- **Issuance of Warning Notices:** For minor financial reporting errors, startups will be allowed to correct discrepancies.
- **Suspension of Grant Disbursements:** Funds may be withheld until startups resolve compliance issues.
- **Recovery of Misused Funds:** Legal actions may be taken to reclaim grant funds that have been misused or fraudulently reported.
- **Permanent Disqualification:** Startups found guilty of serious financial misconduct will be permanently banned from all GITA funding programs.
- **Legal Proceedings:** In cases of severe fraud, GITA reserves the right to initiate legal action and report violations to law enforcement agencies.

By implementing these fraud prevention and compliance measures, GITA ensures that the accelerator program maintains its credibility and fosters trust among stakeholders.