

# GSMA ECOSYSTEM ACCELERATOR INNOVATION FUND

## Terms and Conditions - Round 2

1	 <p><b>OBJECTIVES</b></p>	<p>The GSMA Ecosystem Accelerator Innovation Fund (“the Fund”) supports innovative start-ups in emerging markets to achieve sustainable growth and improved socio-economic impact. The objectives of the Fund are to:</p> <ul style="list-style-type: none"> <li>• Establish partnerships between mobile operators and start-ups in order to increase the reach of innovative mobile services.</li> <li>• Test business models with the greatest potential for growth and impact.</li> <li>• Provide lessons and examples on the ways in which mobile is driving positive socio-economic change.</li> </ul> <p>The Fund supported by the UK Department for International Development (DFID), the Australian Government, the GSMA and its members.</p>
2	 <p><b>GEOGRAPHY</b></p>	<p>The Fund is open to projects from start-ups registered and operating in Africa and Asia-Pacific.</p> <p><b>Africa:</b> Angola, Benin, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo Dem Rep., Congo Rep., Cote d’Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Swaziland, São Tomé and Príncipe, Tanzania, Togo, Uganda, Zambia, Zimbabwe.</p> <p><b>Asia:</b> Bangladesh, Bhutan, Cambodia, Indonesia, Lao PDR, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Vietnam.</p> <p><b>Pacific:</b> Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Pitcairn Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu.</p>
3	 <p><b>FOCUS AREAS</b></p>	<p>The Fund will run a number of rounds between 2017 and 2020. For each round there will be specific areas of focus. During the second round (‘Round 2’), these are:</p> <ol style="list-style-type: none"> <li><b>1. Sharing economy:</b> defined as any mobile-based platform, product or service which enables low-income citizens in emerging markets to generate income from ‘underutilised assets’ through sharing those assets with their peers.</li> <li><b>2. Services for SMEs:</b> defined as any mobile-based solution, product or service designed for Micro, Small and Medium Enterprises (SMEs) – formal or informal – in emerging markets which unlock improved productivity and growth.</li> </ol> <p>Applicants must be aligned with one or both of the above focus areas in order to be eligible. <i>For more information, see our infographic <a href="#">here</a>.</i></p>
4	 <p><b>SOCIO-ECONOMIC IMPACT</b></p>	<p>Throughout the life of the grant, start-ups must demonstrate that they are promoting sustainable development outcomes in their community, market and/or region.</p> <p>Start-ups will set and agree measurable socio-economic targets over the life of the project. Examples include: number of people positively impacted by a product or additional income generated through a service. These measures will also be tracked for a period of time after the end of the grant (up to 2 years).</p>
5	 <p><b>KEY DATES</b></p>	<p>Pitch stage: <b>Apply between 1<sup>st</sup> June and 16<sup>th</sup> July 2017.</b></p> <p>Invitation to proposal stage will be in early August 2017 (see section 11).</p>
6	 <p><b>TYPE OF SUPPORT AVAILABLE</b></p>	<p>The support package includes:</p> <ul style="list-style-type: none"> <li>• Funding (see 7 &amp; 8).</li> <li>• Mentoring on the use of mobile technology.</li> <li>• Facilitation of relationships with mobile operators.</li> </ul> <p>Beyond these areas of support, the selected start-ups will also benefit from enhanced visibility through the programme’s insight publications, learnings through exchange with other portfolio start-ups and networking opportunities through the programme’s contacts.</p>

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## FUNDS AVAILABLE

The funding will be in the form of a grant which should be used for a specific project:

- Launch of new product or service: a project where a brand-new value proposition is developed and/or launched (Type 1).
- Expansion into new market: a project which launches an existing product/service into a new market (Type 2).
- Scaling-up existing product: a project to extend the reach/customer base of an existing product/service in the same market it was originally launched in (Type 3).

Applicants are expected to submit and justify their requirements for the project to be funded, as well as funding amount and duration:

- The amount can be between **£100,000** and **£250,000**.
- The funding requires a certain level of matching from the applicant (see 8).
- The Fund will not be taking any equity against the funding; it will however control the monetary usage of the grant and only disburse funding based on milestones achievements. Incremental fund payments will be dependent on the start-up delivering proof that mutually agreed milestones/targets have been completed/achieved.
- The duration of the project can be between **9** and **15 months**.

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## MATCHING CONTRIBUTIONS

The Fund requires a matching contribution from the applicant in order to demonstrate interest and trust from the wider investor community. Acceptance of match funding is subject to approval by the Fund:

- Applicants must provide a matching of at least 50% of the amount requested, for instance, if a start-up is requesting £200,000 from the Fund, a contribution of at least £100,000 from other sources is required.
- Matching contributions are also expected to be used towards the applicant's proposed project.
- Ideally, applicants should have received the matching contributions between:
  - » 1<sup>st</sup> June and 1<sup>st</sup> November 2017.
- The Fund might consider matching contributions:
  - » Received between 1<sup>st</sup> January 2017 and 1<sup>st</sup> June 2017.
  - » Expected to be received between 1<sup>st</sup> November 2017 and 1<sup>st</sup> February 2018.
- Matching contributions can be made 'in cash' and/or 'in kind':

TYPE OF MATCHING ACCEPTED	DESCRIPTION	EVIDENCE ACCEPTED	EXAMPLE (SOURCES)
IN CASH	Direct financial contributions to the project from the applicant and/or third parties such as venture capital firm, impact investor, mobile operator, incubator/accelerator etc.	Signed MoU or contract, a bank statement and letter confirming the total amount disbursed or to be disbursed by the other party/ies.  Evidence submitted to the Fund of matching commitments must include all conditions, timescales and any other considerations.	May include funding from: <ul style="list-style-type: none"> <li>• Cash reserves/revenue</li> <li>Investment funding (equity finance)</li> <li>• Impact investment</li> <li>• Crowdfunding</li> <li>• Grants (from governments, foundations or NGOs)</li> </ul>
IN KIND	In kind matching includes any significant and quantifiable contribution to the project that is not financial.  Applicants must be able to quantify and demonstrate what results any matching given in kind will achieve for the proposed project.	In cases where in kind matching is offered, the Fund will discuss with the applicant how best to agree the match funding commitment and valuation.  For example: a contractual agreement of support from a local incubator (providing the equivalent monetary value of the service).	May include: <ul style="list-style-type: none"> <li>• Use of goods, services and facilities (such as software)</li> <li>• Provision and access to equipment</li> <li>• Technical assistance</li> </ul>

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ELIGIBLE START-UPS

To be eligible for funding, start-ups must meet the following criteria:

- Be registered and operating in the country of project implementation (whether domestic or foreign owned) in compliance with relevant business licensing, taxation, employee and other relevant regulations.
- Be aligned with one or both of the current Round’s focus areas.
- Be in satisfactory financial health and have adequate financial systems to report regularly to the Fund and, if required, undergo an external audit.
- Have adequate internal human resource capability to implement the proposed project within the proposed timeframe.
- Have already demonstrated success and launched a product or service that has active users and generates revenue in at least one market.
- Have the potential and appetite to form strategic partnerships with mobile operators where relevant.
- Be compliant with fundamental human rights, UK Modern Slavery Act and Gender Equality Act, Child Protection Policies ([here](#)) and international labour standards.

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COMMITMENTS FROM SUCCESSFUL START-UPS

If selected, applicants must be committed to:

- Sharing project data with the GSMA Ecosystem Accelerator programme. All data will be treated confidentially, unless agreed otherwise between the start-up and the programme.
- Reporting on direct users, direct beneficiaries and indirect beneficiaries following the end of the project.
  - Direct users:** individuals interacting actively and directly with the product/service during the grant period.
  - Direct beneficiaries:** “direct users” + individuals who derive some socio-economic value from direct users using the mobile service during the grant period.
  - Indirect beneficiaries:** new beneficiaries of the mobile service after the grant period (e.g. 2 years following end of grant). Beneficiaries are defined on a case-by-case basis for each grant and must be reported regularly.
- Participating in lesson learning and experience sharing activities for internal and public audiences.
- Travelling to GSMA or other key events where relevant. Part of the funding given shall be allocated to specifically cover these travel expenses.
- Participating in DFID or the Australian Government’s annual review processes.
- Providing demo material of the product or service funded to the GSMA (expenses can be covered).

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APPLICATION PROCESS

Applications will be assessed through a **2-stage application process**.

**Pitch stage** - The first stage will involve completing a short online questionnaire, to be reviewed by the Fund Manager and GSMA. The deadline for submitting pitches is **16<sup>th</sup> July 2017**.

**Proposal stage** - The top pitches that meet the objectives of the Fund, and where the applicant is eligible, will be invited to develop a proposal setting out the full business case for the project. Applicants will receive support from the GSMA in developing their proposal; this support will likely include an advisory/due diligence visit to the applicant. Selected pitches will be notified **early August 2017**.

A successful pitch does not imply that the subsequent proposal will be funded.

An independent panel of experts (‘Fund Panel’) will appraise proposals based on the submitted material as well as recommendations from the GSMA and the Fund Manager.

For Round 2, we expect the final decision from the Fund Panel to be made in **December 2017**. The Fund Panel is expected to select 12 to 18 start-ups to the portfolio.

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FUND MANAGER

The Fund Manager plays a managerial and advisory role, executing decisions on behalf of the Fund. They are the managing organisation responsible for fund mechanisms, financial management, transparency, accountability and for reporting on impact and learnings. Additionally, the Fund Manager is responsible for Fund compliance including financial, legal and ethical considerations.

The Fund Manager is Coffey International Ltd.

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CONTACT DETAILS

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