



# GSMA AGRITECH PROGRAMME INNOVATION FUND

## TERMS AND CONDITIONS



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### INTRODUCTION

The GSMA Innovation Fund for Digitisation of Agricultural Value Chains (“the Fund”) aims to scale digital solutions for the agricultural last mile and improve smallholders’ financial inclusion, livelihood and climate resilience. [1] [2]

The Fund will award up to eight grants in total across two categories.

#### MOBILE MONEY DRIVEN CATEGORY

Open to mobile money providers in partnership with AgriTech vendors who are developing, implementing, launching and/or scaling enterprise services (B2B2C) which digitise the agricultural last mile procurement and communication with smallholders.

The proposed development or evolution of an enterprise service must include the following primary use-cases:

- i. Digitising procurement records and smallholder farmer profiles (static and dynamic information);
- ii. Digitising payments to smallholder farmers via mobile money;
- iii. Digitising communication and providing advisory services for smallholder farmers.

This **mobile money driven category** is open to applicants who intend to deploy or scale their services in the following countries:

##### Africa:

Angola, Benin, Burkina Faso, Burundi, Cameroon, Chad, Côte d’Ivoire, Democratic Republic of Congo, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

##### Asia:

Bangladesh, India, Indonesia, Myanmar, Nepal, Pakistan, Sri Lanka.

#### DATA DRIVEN CATEGORY

Open to AgriTech organisations who have already scaled a last mile agriculture digitisation service and established a model for generating digital farmer records and explored linking farmer records with financial service providers. The proposed evolution of these services must include the following primary use-cases:

- i. Digitising procurement records and smallholder farmer profiles (static and dynamic information) at a scale of at least 50,000 farmers in the proposed market;
- ii. Using existing deployment data and digital records of smallholder farmers to provide financial inclusion services through partnerships with third-party organisations;
- iii. Digitising communication and providing advisory services for smallholder farmers.

This **data driven category** is open to applicants who intend to deploy their services in countries with limited mobile money ecosystem in rural areas, specifically:

##### Africa:

Ethiopia, Nigeria.

##### Asia:

Indonesia.

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### ELIGIBILITY REQUIREMENTS

## 2



### ELIGIBILITY REQUIREMENTS

Across both categories, the Fund prioritises enterprise services targeted at organisations (e.g. agribusiness [3], cooperatives, etc.) procuring from smallholders with the focus on those living on less than \$2 per day.

In addition to the primary use cases for each category, the Fund will also consider product bundles involving secondary use-cases. Secondary use-cases that enhance the enterprise offering through a holistic bundle can include climate smart advisory and mobile financial services for smallholders.

#### Examples of services which could be bundled include but are not limited to:

- i. Hyper-local weather forecasts;
- ii. Data-driven decision agriculture.

The Fund also encourages applicants across both categories to propose additional and complimentary solutions that leverage data and economic footprints generated via the enterprise service to power additional B2C services.

#### These solutions may be offered as part of a product bundle or separate and could include, but are not limited to:

- i. Weather index-based crop insurance;
- ii. Mobile financial services beyond payments, specifically tailored to the smallholder farmer user segment (e.g. access to agricultural credit, savings, etc.);
- iii. Smart agricultural equipment (e.g. solar powered irrigation systems with remote or automated control or PAYGO enabled through mobile channel; drip irrigation systems either remotely controlled or automated based on the soil moisture data; PAYGO irrigation systems; smart and PAYGO greenhouses, etc).

**All grant funded projects are expected to share insights on how last mile agricultural digitisation can improve delivery of, and access to, information and financial services for smallholder farmers.**

The Fund is supported by the UK Department for International Development (DFID), the GSMA, and its members.

\*Please note, as a U.S 501(c)(3) organisation, The GSMA Mobile for Development Foundation Inc which is the entity issuing the grant, is obliged to comply with the sanctions laws and regulations of the United States and other sanctions regimes as may be applicable. This may restrict the GSMA from distributing grant funding to certain entities or regions. Any such restrictions will be made clear through the application portal.

### MOBILE MONEY DRIVEN CATEGORY

For the mobile money driven category, the Fund is targeted at consortia of mobile money providers and last mile agricultural technology vendors (AgriTech).

The mobile money provider must hold the position of lead applicant and provide evidence of an established (and active) agent network in the proposed country of implementation.

If a mobile money provider applies without an AgriTech partner, they must have their own internal capacity to commission the development, implementation and management of an enterprise solution(s) that address the primary and secondary use-cases listed in Section 2.

In addition, it is essential that the consortium has secured commitments from agribusinesses (at least one qualifying agribusiness partner\* and two further agribusiness clients\*) to pilot the service with. At least one of the agribusinesses should operate in a formal value chain with a high frequency (e.g. monthly or greater) of smallholder transactions throughout the year. The commitment must take the form of either a signed Memorandum of Understanding (MoU) or Letter of Intent (LoI).

### DATA DRIVEN CATEGORY

For the data driven category, the Fund targets AgriTech providers with established commercial deployments with agribusiness organisations. The AgriTech must also be able to evidence their established link between smallholder's records and a financial service provider to offer financial services to the farmers.

\*Agribusiness clients and partners are differentiated based on the criteria shown in Appendix I.

## 3



### FOCUS AREAS

# 4



## DATES & PROCESSES

<b>STAGE 1</b> Concept note	<b>3 June - 31 July 2019</b>	Complete a short online application outlining the concept for the project and how you meet the funding criteria.
<b>STAGE 2</b> Business Plan deadline	<b>31 October 2019</b>	Applicants will be informed of the success of their concept note in early August 2019 with selected applicants invited to develop a formal business plan. The business plan will set out the project's business case, justifying reasons for the funding amount requested.  NOTE: A successful concept note does not mean the project will necessarily be funded.
<b>STAGE 3</b> Fund Panel	<b>December 2019 - January 2020</b>	An independent panel of experts ('Fund Panel') will appraise proposals based on submitted material as well as recommendations from the GSMA and the Fund Manager. The applicant may be required to undergo a pre-selection assurance review, the results of which will be considered by the Fund Panel during selections.  The Fund Panel is expected to select up to eight applicants to the portfolio. The final decision from the Fund Panel will be communicated to all shortlisted applicants in early January 2020.
<b>STAGE 4</b> Contracting	<b>7 January - 31 March 2020</b>	If successfully awarded a grant by the panel, applicants will be invited to contracting stage to determine the terms of the grant agreement. The GSMA will work with applicants to build a schedule of incremental fund payments. These payments are dependent on the grantee delivering proof that the mutually agreed milestones have been achieved.
<b>STAGE 5</b> Project Launch	<b>February - March 2020</b>	Successful grantees will begin project implementation.

# 5



## FUNDING AVAILABLE

Funding decisions are made on a competitive basis by an independent assessment panel against clear criteria at each stage of the process. Only the Business Plans deemed to best fulfil the objectives of the Fund will receive funding, and only one project per country of implementation will be funded.

**The grant for each project is available for eligible organisations for projects of up to 24 months duration. The grant will be distributed on a reimbursement and milestone basis.**

**Three forms of non-monetary support will also be provided to grant recipients:**

- GSMA consultancy to support the development of Business Plans, and service implementation through market research, user-centric service design, business intelligence, user-testing with agribusiness staff and smallholders;
- Regular evaluations of the service to:
  - Generate transparency into service adoption levels and user behaviour change;
  - Measure service's progress towards key success criteria.
- For applicants who express interest for insights into inclusive design for users with disabilities, GSMA will offer additional in-kind support.



#### SIZE AND DURATION OF GRANTS AVAILABLE

- The maximum individual grant size can't exceed GBP £220,000 and requires 100% match funding (see section 7);
- Project duration for all grants must not exceed 24 months. The grant will be distributed on a reimbursement and milestone basis;
- Grant projects are expected to commence in March 2020.

**Applicants will need to match the grant amount requested from the Fund.** These contributions can be made both in cash and in-kind, although no more than 50% of the applicant's contribution can be in-kind (See Appendix II). For instance, applicants requesting the full grant amount of GBP£220,000 will need to contribute the equivalent of GBP£220,000, with no less than GBP£110,000 contributed in cash over the grant period.

#### Commitments required from the lead applicant and consortium members across both categories over the grant implementation period:

- Allocation of a 100% full-time, qualified and experienced product manager who reports directly to the divisional CXO. The product manager must have clear objectives and tangible incentives tied to key product milestones;
- Allocation of a cross-functional team with dedicated KPIs to support the product manager to achieve project objectives. The cross-functional team includes project management, business intelligence/data analytics, marketing, IT/technical support, sales and distribution where relevant;
- Chief Executive Officer (CEO) endorsement with regular CxO project oversight including ownership of key agribusiness client relationships and a commitment to onboard three to five additional agribusiness. These new clients must be in addition to those stated as part of the initial Concept Note submission;
- Share relevant platform / transactional / GSM data for analysis to guide a data-driven and iterative product development approach in addition to tracking user and impact statistics. Where relevant, MNO to share or use commercial microwave Link (CML) data and activate location-based services to enhance or enable secondary or B2C use-cases;
- Share service related and additional commercial data to support donor reporting requirements [4]. This includes, at a minimum, collaborating with the external consultants selected and contracted by the GSMA as part of the Fund, use the provided Monitoring, Evaluation and Learning (MEL) framework and tools and report on MEL indicators per donor compliance requirements;
- Efficiently process contracts with speciality (non-traditional) vendor agreements as per the agreed Business Plan;
- Comply with the quarterly and annual reporting and due diligence requirements of the Fund throughout the project period;
- Take part in the GSMA Working Groups.

#### For the data driven category, the following additional applicant contributions are required:

- Commercial financial service partner committed to continue working with the AgriTech lead applicant on experimenting and testing different ways to scale finance services for smallholder farmers.



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SELECTION  
CRITERIA

A strong preference will be given to projects which are able to meet most or all of the following selection criteria:

- The proposed country of implementation is an eligible country of implementation as outlined in Section 2;
- At both Concept Note stage and Business Plan stage, applications must be submitted by the lead applicant who must provide documentary evidence to demonstrate established working agreements with consortium members;
- The lead applicant must also be able to demonstrate how mobile agriculture services form an integral part of their business strategy and project approval has been clearly communicated, in writing, by the CEO;
- The project is using or intends to provide a holistic suite of enterprise services that encompasses digital procurement, digital payment\* and other services to agribusinesses;
- The project will involve a commercially sustainable business model - tracked against clear KPIs and business objectives - for the provision of last mile digitisation enterprise services that will be sustainable beyond the grant period;
- The project is not easily supported by other commercial sources of finance;
- One qualifying agribusiness partner<sup>†</sup> and two further agribusiness clients\* with at least one operating in a formal value chain in the country of implementation as per the conditions in Section 3 - committed to the objectives of the consortium with the lead applicant via an MoU or LoI;
- The project will demonstrate how it will provide equitable access to female smallholder farmers;
- Financial service providers, banks and financial institutions could be included as partner organisations if the proposed service includes financial services beyond transactions (such as savings, insurance, credit or lease).

<sup>†</sup> Mobile money driven category only

\*Agribusiness clients and partners are differentiated based on the criteria shown in Appendix I.

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ENTITY  
ELIGIBILITY

To be eligible, lead applicants across both categories must have the following characteristics:

- Be registered and operating in the country of project implementation (whether domestic or foreign owned or a joint venture) in compliance with relevant business licensing, taxation, employee and other relevant regulations;
- Ensure that the consortia organisations are appropriately registered and operating in the country of project implementation (whether domestic or foreign owned or a joint venture) in compliance with relevant business licensing, taxation, employee and other relevant regulations;
- Be the business owner of the proposed enterprise solution;
- Be a for-profit organisation and in satisfactory financial health supported by at least one year of unqualified audited accounts;
- Have adequate internal capacity to implement the project within the agreed timeframe;
- Have a data sharing agreement regarding data created by the service between the consortia;
- Comply with the GSMA due diligence process, through which additional due diligence materials may be requested;
- Where a single member of the implementing consortium will receive greater than 30% of the GSMA grant funding, they will be termed an Implementation Partner and will be required to pass additional due diligence checks and honour reporting obligations;
- Be in satisfactory financial health, have adequate financial systems and have human resource capacity to implement the grant project. The GSMA may require the applicant to undergo a pre-selection assurance review. Such review, if required, will be conducted by an independent organisation chosen by the GSMA;
- Applicants may need to demonstrate how they are compliant with local and international data protection and privacy regulations for example; GDPR (a European data protection regulation), and be prepared to respond to questions or provide evidence.

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## APPRAISAL

Business Plans across both categories will be appraised on a competitive basis based on:

- a. **Experience and strength of the lead applicant's product manager and their incentives**, as well as contingency plans for staff turnover;
- b. **Experience and strength of the lead applicant's cross functional team** to innovate and apply agile approaches as well as implement on time;
- c. **Lead applicant's experience and strength in:**
  - i) The agricultural sector (e.g. existing service(s), existing clients);
  - ii) User experience and data driven product design and product management;
  - iii) Enterprise services.
- d. **Strength of the key associate stakeholder commitments:**
  - i) For the agribusiness client: Clear last mile digitisation strategy supported by KPIs and objectives;
  - ii) For the Bank/financial service provider\*: Clear farmer financial inclusion strategy supported by KPIs and objectives.
- e. **Strength of the overall Business Plan.** This includes alignment of mobile money provider<sup>†</sup> with agribusiness client and partner strategies and feasibility of implementation, including clear identification of risks and associated contingencies;
- f. **Potential for commercial and social impact;** including gender and broader inclusivity;
- g. **Strength of rural mobile money network<sup>†</sup>** and capacity to experiment and test new on-boarding and agent models;
- h. **Strength of the overall consortium structure**, roles and responsibilities of each organisation.

<sup>†</sup> Mobile money driven category only

\*Data driven category only

## TWO STAGE APPLICATION PROCESS

The first stage will involve **submission of a Concept Note**, which will outline the project, list proposed consortium members, demonstrate the consortium's capacity to deliver the project and explain how the project fits within wider strategy of the business owner.

Concept Notes will be reviewed by the GSMA team and the Fund Manager [5]. Applicants whose concepts meet the objectives of the Fund, and where the lead applicant is eligible, will be interviewed by the Fund Manager and invited to develop a Business Plan.

**The Business Plan** will outline the strategy for implementing and scaling the service, provide a budget projection with an indication of how the grant is to be spent, and a work plan for the 24-month implementation period. Further information may be required.

There will be **technical assistance available** (see section 6) from the GSMA for applicants who are invited to submit the Business Plan.

Applicants will also undergo **due-diligence screening** prior to final submission of the business plan to the fund panel. Business plans will be appraised and approved (or otherwise) for funding by an Independent Assessment Panel whose decision is final.

**FUND MANAGER:** Coffey International Development

**CONTACT DETAILS:** [AgriTechFund@gsma.com](mailto:AgriTechFund@gsma.com)

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## APPLICATION PROCESS

[1] The Fund may adjust these Terms from time-to-time at its own discretion in order to sharpen the focus of the Fund, also to maximise the effectiveness of funded projects in achieving the purpose and objectives of the Fund.

[2] In agricultural value chains, the last mile is the web of relationships and transactions between buyers of crops such as agribusinesses, cooperatives and middlemen, and the farmers who produce and sell their crops. Most of this activity takes place in the developing world, where about 1.3 billion people are employed in agriculture and are involved in the production of the majority (at least 70 per cent) of the world's food.

[3] An agribusiness is defined as an organisation procuring raw produce directly from smallholder farmers. N.B. This does not include organisations supplying inputs or agricultural equipment.

[4] Further information on reporting requirements will be provided following the concept note stage.

[5] The Fund Manager refers to an experienced compliance management firm that ensures neutrality in the selection process and manages compliance and reporting requirements from implementation stage to Fund closure.

## APPENDIX I

	AGRIBUSINESS CLIENT	AGRIBUSINESS PARTNER
<b>WHO</b>	<ul style="list-style-type: none"> <li>Any qualified agribusiness who experiences the problems or align with the objectives described in the scope of the Fund, and commits to being a pilot client via an MoU or Lol.</li> </ul>	<p><b>Same as Agribusiness Client, plus:</b></p> <ul style="list-style-type: none"> <li>Wants to be a leader in the agribusiness digitisation and/or farmer financial inclusion space</li> <li>Is either developing or implementing plans to modernise field operations</li> <li>Is ready to be the agricultural thought partner and subject matter expert for the lead applicant and the consortia</li> </ul>
<b>ROLE &amp; RESPONSIBILITY</b>	<ul style="list-style-type: none"> <li>Participate in the UX and product design field research</li> <li>Hosting of a service pilot</li> <li>Share commercial data as part of a data driven product iteration process and for donor reporting purposes (monitoring and evaluation)</li> </ul>	<ul style="list-style-type: none"> <li>Support the lead applicant with understanding the wider agribusiness and agricultural landscape of the market</li> <li>Support other agribusinesses in understanding the opportunity to digitise their agricultural last mile through knowledge sharing</li> </ul>
<b>COMMITMENT</b>	<ul style="list-style-type: none"> <li>Make staff and farmers available for user experience and product design interviews</li> <li>Make management available for in-depth contextual interviews and input into product requirements</li> <li>Allocate resources needed to deploy a pilot (on boarding farmers, training staff, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Participate in additional aspects of user experience and product design research such as synthesis workshops</li> <li>Allocate a 20% full time employee with clear KPIs associated with last mile digitisation</li> <li>Participate in country and regional level knowledge sharing and contribute to a case study promoting examples of excellence in last mile digitisation</li> </ul>
<b>SUPPORT</b>	<ul style="list-style-type: none"> <li>Results from design research that provides greater visibility into last mile operations and stakeholder's attitudes</li> <li>A subsidised service trial period to test the service</li> </ul>	<ul style="list-style-type: none"> <li>Risk capital (via the lead applicant) to mitigate risks of investing in last mile digitisation</li> <li>Funding to travel to and participate in GSMA Working Groups. This may include international travel</li> <li>Access to the GSMA knowledge sharing platform to share successes with and disseminate knowledge</li> </ul>

## APPENDIX II CASH VERSUS IN-KIND CONTRIBUTIONS

DESCRIPTION	EVIDENCE ACCEPTED	EXAMPLE (SOURCES)
<p><b>TYPE: IN CASH</b></p> <p>Direct financial contributions to the project from the applicant and/or third parties such as donors (individuals, foundations, governments), venture capital firms, impact investors, etc.</p>	<p>Signed MoU or contract, a bank statement and letter confirming the total amount that has been disbursed or will be disbursed by the other party(-ies). Funds should be available by the time the project starts.</p> <p>Evidence submitted to the Fund of matching commitments must include all conditions, timescales and any other considerations.</p>	<p><b>May include funding from:</b></p> <ul style="list-style-type: none"> <li>Partnerships/consortium</li> <li>Cash reserves/revenue Investment funding (equity finance)</li> <li>Impact investment</li> <li>Crowdfunding</li> <li>Grants (from governments or foundations)</li> </ul>
<p><b>TYPE: IN KIND</b></p> <p>In kind matching includes any significant and quantifiable contribution to the project that is not financial.</p> <p>Applicants must be able to quantify and demonstrate what results any matching given in kind will achieve for the proposed project.</p>	<p>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.</p> <p>For example: a contractual agreement of support from organisations (providing the equivalent monetary value of the service).</p> <p>All evidence will need to be shared at business plan stage.</p>	<p><b>May include:</b></p> <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> <li>HR costs must include evidence of salary benchmarks and justification for % time spent on the project. Evidence of contracts and timesheets will be required during financial reporting.</li> </ul>