



# The GSMA Innovation Fund for Climate Resilience and Adaptation



## Terms and Conditions

# 1



## Objectives

The GSMA Innovation Fund for Climate Resilience and Adaptation (“the Fund”) will provide grants and additional support (see section 5) to for-profit small and growing enterprises<sup>1</sup> (including start-ups) that leverage digital technology, especially mobile, to deliver climate resilience and adaptation solutions for low-income and vulnerable communities.

**Climate resilience and adaptation solutions** are defined as those that help build individual, community or institutional capacities<sup>2</sup> to:

- **Adapt** to multiple, long-term and future climate change risks;
- **Anticipate** and reduce the impact of climate variability and extremes through preparedness and planning; and/or
- **Absorb** (i.e. face and manage) adverse conditions, emergencies or disasters.

The objective of the Fund is to test and generate insights from innovative use-cases, partnerships and business models in selected geographies (see section 3), in order to **improve the sustainability and scalability of digital enabled solutions** that make a positive impact on low-income populations and those who are most vulnerable to current or future climate risks.<sup>3</sup>

The grant projects must seek to demonstrate:

- How innovative digital technology (with a focus on mobile), can increase the capacity of low-income and vulnerable communities to adapt to, anticipate and/or absorb climate-related shocks or stresses;
- What business or partnerships models are required for innovative digital solutions to be adopted sustainably and at scale;
- What additional socio-economic, commercial and environmental/climate impact can be achieved by using digital solutions to build climate resilience and adaptation solutions; and
- What role mobile operators and other technology companies can play in scaling these business models and how they can make their role commercially sustainable.

Given the broad and far-reaching impacts of climate change, we expect to see a diverse range of resilience and adaptation solutions including **but not limited to**:

- **Supporting and enhancing livelihoods** (e.g. precision agriculture, pay-as-you-go farming equipment, sustainable fisheries, weather forecasting, digital marketplaces).
- **Resilient households and cities** (e.g. reducing food waste, climate-smart appliances, water management solutions, urban resilience planning).
- **Climate hazard information and advice** (e.g. early warning systems, real-time flood monitoring, fire detection).

# 1



## Objectives (continued)

- **Nature-based solutions** (e.g. forest management and restoration, payment for ecosystem services, nature-based infrastructure).
- **Insurance and other financial services** (e.g. index insurance, climate risk modelling, digital loans).

While some resilience and adaptation solutions will have climate mitigation benefits, projects with a sole and specific focus on climate mitigation are **excluded** from the Fund.

Grants will **not** be awarded to the following organisations, although **we strongly encourage partnerships** with these entities as part of the application:

- Governments, government-owned agencies (or appointed government agencies);
- Mobile Network Operators;
- University or academic organisations; and
- Start-up accelerators and incubators.

This initiative is funded by UK aid from the UK Foreign, Commonwealth and Development Office (FCDO), The Swedish International Development Cooperation Agency (Sida) and is supported by the GSMA and its members.

The views expressed do not necessarily reflect the UK and Swedish governments' official policies.

# 2



## Eligibility

**To be eligible to apply, applicants must meet the following criteria:**

- Be a small and growing enterprise or start-up leveraging digital technology, especially mobile, to deliver climate resilience and adaptation solutions to low-income and vulnerable populations in countries that are eligible to receive official development assistance (see section 3). Have active users and commercial revenue (users and revenue from any products or services offered by the organisation) in at least one eligible country (see section 3).
- Be an entity registered and operating in the country of project implementation (whether domestic or foreign-owned or a joint venture). In cases where responsibility for service delivery lies with a downstream partner, rather than the applicant, for example service delivery by a local government, it may be acceptable for the applicant to be registered in a country other than that of project implementation (see geographic specific restrictions in section 3).
- Be fully compliant with relevant business licensing, taxation, employee and other regulations in all applicable countries of grant project operation.
- Be registered and have a bank account in the country where they will receive the grant money (if not the same as the project implementation country).
- Be an eligible entity (as set out in section 1) and demonstrate that a majority of their income is derived from commercial activities. Early-stage companies who have not reached this threshold will need to demonstrate a reliable path to sustainability via commercial activities that generate revenue to be considered.
- Commit to providing 25% to 50% matching funding depending on the total grant amount requested (see section 7).
- Only one organisation can apply for funding and become a grantee. Applicants are encouraged to have downstream partners who have a role in the project as per the [GSMA's Downstream Partner Guidelines](#). In case government entities are grant project partners, they cannot be a sub-recipient of the grant.

# 2



## Eligibility (continued)

### **During the selection process, we will also ensure eligible applicants have/are:**

- Adequate financial systems, to report regularly to the Fund, providing evidence of expenditure of grant funds and match funds and undergo an external audit. In addition, shortlisted applicants will be required to produce unqualified audited financial accounts as a condition for funding.
- An adequate bank account, to receive and hold grant payments.
- Adequate internal human resource capability to implement the proposed project and comply with the Fund's reporting requirements within the planned timeframe.
- Applicants may need to demonstrate how they are compliant with all applicable laws and regulations across markets of operations.
- Compliant with fundamental [Human Rights Laws, the UK Modern Slavery Act and Gender Equality Act, Child Protection Policies](#).
- Compliant with GSMA Safeguarding Policy<sup>4</sup> (on Children and Vulnerable Adults) in all implementation markets.
- Adhere to the principals of the [EU General Data Protection Regulation](#) data privacy (GDPR).

### **We particularly encourage the following applicants to apply:**

- Female founders, and applicants with good representation of women at all levels of the organisation.
- Local entrepreneurs, and applicants with good representation of local talent at all levels of the organisation.
- Applicants who have partnerships with relevant local stakeholders (e.g. community-based organisations) to deliver the project on the ground.
- Applicants who proactively demonstrate their solution disproportionately and actively reaches more female users.
- Applicants who have a clear understanding how their solution improves the resilience and adaptative capacity of vulnerable communities and have proactively taken steps to set targets and systematically measure these impacts.

### **All applicants need to consider:**

- The Fund will not support the development or prototyping of any new hardware solutions. Where there is a proposal to use existing hardware solutions (e.g. weather monitoring equipment) as part of the project, applicants must be able to clearly demonstrate that all required approvals for wide scale importation and use of the hardware exist prior to grant execution. In instances where there is assembly of completed pre-existing and previously used hardware components this may be considered on a case-by-case basis by the GSMA. Applicants may be required to respond to additional GSMA due diligence requests, including disclosing relevant supply chains.
- Being able to demonstrate the potential and appetite to form strategic partnerships with mobile operators and/or technology organisations.
- Being able to use or be planning to use mobile technology strategically.
- Being able to use the [Principles for Digital Development](#) when designing their solutions.
- Having a plan for long-term sustainability and societal impact beyond the lifespan of the grant (such as through user uptake, business model, financial viability, follow-on funding etc.) and demonstrate there is further potential for scale or replication.
- Preference will be given to applicants (organisations) that have not received prior FCDO or Sida grant funding through the GSMA. Applicants that have received grant funding from the GSMA in the past will need to demonstrate why they require an additional grant.

# 3



## Geography

The Fund is open to applicants whose projects are implemented in countries that are eligible to receive official development assistance (see [OECD DAC](#)) in the following regions:

- Africa
- South and South East Asia (e.g. ASEAN)
- Pacific Islands
- The Caribbean
- Latin America<sup>5</sup>
- Eastern Europe and Western Balkans<sup>6</sup>

Additional due diligence checks and eligibility screenings may be required in certain markets.<sup>7</sup> For these markets, applicants **MUST** be registered and operating in the country of project implementation.

Please note, as a U.S 501(c)(3) organisation, the GSMA Mobile for Development Foundation Inc. is obliged to comply with the sanctions, laws and regulations of the United States and other sanctions regimes as may be applicable. These sanctions and laws and other legal or regulatory regimes may restrict the GSMA from distributing grant funding to certain entities or regions.<sup>8</sup>

**NOTE: All applications to the Fund MUST be submitted in English**

# 4



## Socio-economic impact

Through the grant application process, applicants must ensure that their proposal clearly links to increased capacity to adapt, anticipate and/or absorb climate-related shocks or stresses.

Applicants will also be asked to identify, clarify and demonstrate how they are contributing positively to the [Sustainable Development Goals \(SDGs\)](#).

During application and before being awarded a grant, applicants will set and agree (1) measurable **socio-economic** targets and (2) targets measuring how solutions improve, the capacity to adapt to, anticipate and/or absorb climate-related shocks and stresses for low-income and vulnerable communities/individuals. These targets will be set and agreed in collaboration with the GSMA, learning partners and the Fund Manager.

### Examples of targets include:

- Number of most vulnerable people supported to cope with the effects of climate change;
- Unlocked income (or savings) generated by the product or service for beneficiaries;
- Changes in preparedness and planning; and
- Improved ability to substitute one critical asset with another.

Targets will be broken down **by demographics** (e.g. gender, age, low-income group) where relevant and appropriate.

Some/select indicators will also be tracked for up to two years after the end of the grant and will require cooperation with GSMA's teams to collect additional evidence on project outcomes.

# 5



## Type of support available

The support package includes:

- Grant funding (see sections 6 & 7).
- Bootcamp (a programme of expert-led sessions and targeted networking) and regular online clinics including sessions on product or service improvement, for example, supporting human-centred design or usability testing.
- Knowledge, expertise or best practices on the application of digital tools for improving the lives of those most vulnerable and affected by the effects of climate change.
- Learning exchange opportunities with other grantees and networking opportunities with the GSMA climate programmes' networks (including the recently launched [Adaptation Research Alliance \(ARA\)](#)<sup>9</sup> and the [Global Innovation Fund \(GIF\) Climate Fund](#)).
- Monitoring and evaluation technical assistance to evidence socio-economic impact.
- Facilitation of relationships with mobile operators and public sector organisations, where relevant.
- Opportunity to increase grantee visibility and profile to potential investors and partners through profiling in GSMA publications, social media, and participation in industry leading MWC events held annually in Africa, Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

# 6



## Funds available

The funding will be in the form of a grant which should be used for the proposed grant project. The Fund will closely oversee the monetary usage of the grant and only disburse funding based on milestones achievement. Milestone-based payments will be dependent on the grantee delivering proof that mutually-agreed milestones/targets have been completed/achieved.

Applicants are expected to submit and justify their budget for the project to be funded, as well as their reasons for the funding amount requested. The amount requested can be any amount **between GBP 100,000 and GBP 250,000**.

The duration of the grant-funded projects can be between 15 and 18 months.

# 7



## Matching contributions

The Fund requires a matching contribution from the applicant 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 contribution of **at least 25%** of requested grant amount between £100,000 to £150,000. For instance, if an applicant is requesting £100,000 from the Fund, a contribution of at least £25,000 from other sources is required.
- Applicants must provide a matching contribution of **at least 50%** of requested grant amount between £150,001 to £250,000. For instance, if an applicant is requesting £200,000 from the Fund, a contribution of at least £100,000 from other sources is required.
- Matching contributions must be secured and evidenced as such by the time final proposals are submitted and must then be used towards the proposed project and spent in full across the 15 to 18 month project cycle.
- Matching contributions can be made 'in-cash' and/or 'in-kind'. In-kind (vs in-cash) match funding is limited to 50% of the total required match amount.
- Matching contribution cannot be from existing funding from FCDO or Sida.

# 7



## Matching contributions (continued)

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 contract, a bank statement or 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 investment funding (equity finance);</li> <li>Impact investment;</li> <li>Crowdfunding; and</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; and</li> <li>Technical assistance.</li> </ul>

# 8



## Commitments from successful applicants

If selected, prospective grantees must be committed to:

- Executing the GSMA's Grant Agreement (to be shared with shortlisted applicants) without material modifications.
- Sharing project data with the GSMA and FCDO and Sida. The GSMA will work with grantees to agree on confidential data that can be shared to inform broader sector insights. This will be done in compliance with data protection requirements.
- Reporting regularly on socio-economic and climate impact and other mutually-agreed Key Performance Indicators (including gender disaggregated data where relevant/appropriate).
- Participating in lesson learning and experience sharing activities for internal and public audiences (such as ARA activities).
- Travelling to GSMA or other key events where relevant and possible based on local COVID-19 restrictions. Part of the grant funding will be allocated specifically to cover events-related travel expenses.
- Participating in FCDO and Sida or other donors' annual review process and a willingness to work with GSMA's teams to collect additional evidence on project outcomes for up to two years after the grant period, where such support is provided.

# 9



## Application process

**NOTE: All applications to the Fund MUST be submitted in English**

<b>Stage 1 Pitch</b>	<b>Nov 2021 – Feb 2022</b>	<p>Complete a short online “pitch” questionnaire for the project and describe how you meet the funding criteria that is reviewed by the Fund Manager and the GSMA. The deadline for submitting pitches is <b>23:59 UTC (UK time) 23 January 2022.</b></p> <p>The GSMA will aim to review and confirm the shortlisted applicants 4-5 weeks after the deadline for submitting pitches.</p>
<b>Stage 2 Proposal</b>	<b>Feb – May 2022</b>	<p>The top pitches (shortlist) 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 guidance from the GSMA in developing their proposal; this support may include a field visit (where possible) to the applicant to conduct due diligence on the project. The GSMA will work with applicants to build a schedule of incremental fund payments. Applicants may be asked to reduce or modify the requested funding amount during the application process.</p> <p>The GSMA and Fund Manager will conduct a due diligence assessment of all shortlisted applicants with particular focus on governance and controls, safeguarding, ability to deliver, financial management and management of suppliers.</p>
<b>Stage 3 Fund Panel</b>	<b>May - Jun 2022</b>	<p>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. We expect the final decision from the Fund Panel to be made in <b>June 2022.</b></p>
<b>Stage 4 Contracting</b>	<b>Jun - Aug 2022</b>	<p>If successfully awarded a grant by the Panel, applicants will be invited to the contracting stage to determine the terms of the grant agreement. The GSMA will work with applicants to finalise the schedule of incremental fund payments drafted at proposal stage. These payments are dependent on the grantee delivering proof that the mutually agreed milestones have been achieved.</p>
<b>Stage 5 Project Launch</b>	<b>Sep 2022</b>	<p>Successful grantees will begin project implementation.</p>

# 10



## Other

An independent Fund Manager, Palladium International Ltd, plays a managerial, compliance and advisory role, executing decisions on behalf of the Fund.

For any further questions related to the Fund, please see the website:

[www.gsma.com/ClimateFund](http://www.gsma.com/ClimateFund)

Contact us: [GSMAIF@gsma.com](mailto:GSMAIF@gsma.com)



## Endnotes

1. **Small and growing enterprises** refers to commercially viable start-ups, small to medium enterprises and social enterprises with up to 250 employees that have significant potential and ambition for growth. To be eligible, applicants will need to demonstrate that a majority of their income is derived from commercial activities. Early-stage companies who have not reached this threshold will need to demonstrate a reliable path to sustainability via commercial activities that generate revenue to be considered.
2. [The 3As: Tracking resilience across BRACED](#)
3. As per the Intergovernmental Panel on Climate Change (2014), the populations who are most vulnerable to climate change are those who are socially, economically, culturally, politically, institutionally or otherwise marginalised, and are therefore most likely to be susceptible to harm and to lack the capacity to cope and adapt.
4. The GSMA Safeguarding Policy will be shared with the shortlisted applicants.
5. **Limited to only the following countries:** Bolivia, Colombia and Guatemala.
6. **Limited to only the following countries:** Albania and Moldova.
7. Algeria, Angola, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Haiti, Kenya, Liberia, Libya, Mali, Myanmar, Niger, Nigeria, Republic of Congo, Republic of Guinea, Republic of Guinea-Bissau, Somalia, South Sudan, Sudan, Zimbabwe.
8. Payments cannot be distributed to the following regions: Afghanistan, Cuba, Iran, Iraq, Lebanon, North Korea, Syria, Tajikistan, Turkmenistan, Uzbekistan, Venezuela, Yemen.
9. ARA is a global collaborative effort that will seek to catalyse increased investment and capacity for action-orientated research that support effective adaptation to climate change – primarily in developing countries.