The GSMA Innovation Fund

for Climate Resilience and Adaptation 2.0

1

Objectives

Terms and Conditions

Climate change and biodiversity deterioration are among the most pressing challenges facing the world. Low- and middle-income countries (LMICs) are the least prepared for climate shocks and will continue to be impacted the most. Innovative mobile technologies and other digital solutions can help create a more resilient future where communities can adapt to, anticipate and absorb climate shocks.

Building on the previous GSMA Innovation Fund for Climate Resilience and Adaptation launched at COP26, the newly launched **Innovation Fund for Climate Resilience and Adaptation 2.0** (henceforth referred to as "the Fund") will provide grants as well as additional non-financial and technical support (see Section 7) to for-profit small and growing enterprises[1], including start-ups, that leverage mobile and digital technology to pilot or scale solutions that help communities in LMICs to build resilience[2] towards the impact of climate change. The fund will also strive to support solutions that contribute to climate resilience through activities strengthening biodiversity.

The objective of the Fund is to test innovative use-cases, partnerships and business models in selected geographies (see section 5) 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.[3] The Fund also aims to generate and share insights and evidence from these innovations in order to benefit digital and mobile industry stakeholders.

This Fund 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.

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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. Climate resilience solutions are defined as those that help build individual, community or institutional capacities to anticipate, adapt to and/or absorb climate shocks and stresses. Please refer to the 3As : Tracking resilience across BRACED - https://www.researchgate.net/publication/281411203_The_3As_Tracking_Resilience_Across_BRACED

3. As per the IPCC (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.

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Focus of the Fund

The Fund is interested in solutions that use digital technology, especially mobile, to improve resilience and adaptation to climate change, with a higher priority given to applications focusing on _one or more_ of the following:

— Digital solutions improving climate resilience and adaptation and focusing on vulnerable populations and ecosystems based in **coastal areas, small islands, or urban settings**.

— Digital solutions tackling challenges posed by increasingly frequent **extreme weather events** such as extreme drought, flooding, high winds, wildfire and higher risks of land slips and erosion etc. (with the exclusion of early warning systems).

— Digital solutions focused on:
  • **Nature-based solutions**[4]
    ▪ Regenerative agriculture[5]
    ▪ Sustainable forests, coastal areas and wetlands that strengthen biodiversity

  • **Sustainable consumption and production**
    ▪ Reduced food loss and waste
    ▪ Sutainable fisheries that strengthen biodiversity
    ▪ Air pollution management

While some resilience and adaptation solutions will have Climate change mitigation[6] benefits, projects with a sole and specific focus on Climate change mitigation (reducing and avoiding emissions) are **not** eligible for the Fund.

A higher priority will be given to the following projects:

— Projects that demonstrate how innovative digital technology (especially mobile), can increase the capacity of low-income and vulnerable communities – in particular women – to adapt to, anticipate and/or absorb climate-related shocks or stresses;

— Projects that can clearly articulate and measure positive impacts on environment or biodiversity;

— Projects that demonstrate that their solution actively reaches female users;

— Projects that demonstrate what business or partnership models are required for innovative digital solutions to be adopted sustainably and at scale;

— Projects that demonstrate what additional socio-economic, commercial, environmental and climate impact can be achieved by using digital solutions to build climate resilience and adaptation; and

— Projects that demonstrate the value proposition of these business models for mobile operators and other technology companies and how a partnership with these companies in the short or long run could help scale these business models.

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4. [Nature Based Solutions for Climate Change](#), WWF, July 2020
5. Regenerative agriculture includes agricultural practices which help to rebuild and restore ecosystem conditions such as soil and water quality
6. Reducing GHG emissions and transitioning to a low-carbon economy to slow down the rate of climate change is referred to as mitigation. Examples include generating electricity from renewable sources, shifting away from internal combustion engine vehicles and reducing agricultural emissions

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Focus of the Fund (continued)

A higher priority will be given to the following applicants:

— Applicants whose organisations are female founded and/or female - led and/or have good representation of women at all levels;

— Applicants whose organisations have a strong presence in their country of implementation and a commitment to supporting/upskilling and promoting local staff;

— Applicants who have partnerships with relevant local stakeholders (e.g., community-based organisations) to deliver the project on the ground;

— Applicants who have a clear understanding of how their solution improves the climate resilience of vulnerable communities and have proactively taken steps to set targets and systematically measure climate impact in relation to resilience and adaptation;

— Applicants that have not received prior UKAid or Sida grant funding through the GSMA. Applicants that have received grant funding from the GSMA in the past will need to strongly demonstrate what would be the additionality of the new grant.

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Eligibility to apply to the Fund

The following organisations are not **eligible** to apply to the Fund. However, eligible applicants are encouraged to have partnerships with such organisations when it strengthens the value proposition of their application:

— Governments, government-owned agencies (or appointed government agencies)

— Non-profit organisations

— UN Agencies

— Mobile Network Operators

— University or Academic organisation

— Start-up accelerators and incubators

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Eligibility to apply to the Fund (continued)

To be eligible to apply, organisations must meet all of the following criteria:

— Leverage digital technology, especially mobile, to deliver solutions described in sections 1 and 2.

— Be a small and growing enterprise[7] or start-up 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 5).

— 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 5).

— Be an existing entity registered and operating in the country of project implementation at the time of application (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 5).

— 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). This account must be capable of receiving GBP payments as all disbursements will be in GBP.

— Be an eligible entity (as described in this section) and demonstrate that a majority of their income is derived from commercial activities. Early-stage companies that 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% or 50% matching funding depending on the total grant amount requested (see section 9).

— Only one organisation can apply for funding and become a grantee.

The following projects are not eligible for funding:

— Projects that focus solely on products and solutions for high-end devices (including iOS) not associated with low-income users.

— 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

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7. **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.

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**Eligibility
to apply
to the Fund**
(continued)

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there is assembly of completed pre-existing and previously used hardware components this may be considered on a case-by-case basis by GSMA. Applicants may be required to respond to additional GSMA due diligence requests, including disclosing relevant supply chains.

— Non-commercially sustainable distribution of assets directly to target populations including the purchase & distribution of mobile phones, tablets or other communication devices to target populations/end-users.

— Projects solely with a research focus.

— The deployment of solutions, partnerships or models which are already proven and do not include an innovative approach (innovative adaptation to existing solutions will however be considered).

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— Projects where mobile and/or other digital technologies (e.g., AI, IoT, blockchain, supply chain management, satellite, drones, GIS mapping, etc.) is not integral to the solution and/or business model.

— Projects that, from the onset, have explicit high risks of unintended negative impacts on the environment or biodiversity.

During the selection process, we will 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[8] (on Children and Vulnerable Adults) in all implementation markets.

— Adhere to the principals of the EU General Data Protection Regulation data privacy (GDPR).

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8.   The GSMA Safeguarding Policy will be shared with the shortlisted applicants.

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Downstream partners

As defined in the GSMA's Downstream Partner Guidelines, downstream partners are defined as either sub-recipients,[9] Consultants/Sub-Contractors/Suppliers,[10] or project stakeholders/partners.[11]

Sub-recipients:

— As part of the application process, it is essential that an applicant to the Fund names all sub-recipients for the project it applies for. **These sub-recipients will be subject to the same eligibility criteria as the applicant** (as listed in section 3).

— The following organisations are not eligible to be sub-recipients.
  • Governments, government-owned agencies (or appointed government agencies);
  • Mobile Network Operators;
  • Universities or academic organisations; and
  • Start-up accelerators and incubators.

They are however eligible to be Consultants/Sub-Contractors/Suppliers or project stakeholders/ partners.

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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
— Pacific Islands
— The Caribbean
— Bolivia, Colombia and Guatemala
— Albania and Moldova

Additional due diligence checks and eligibility screenings may be required in certain markets.[12] 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.[13]

All applications to the Fund MUST be submitted in English

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9. Sub-recipients are organisations to whom the grantee delegates responsibility not just for carrying out specific activities but for managing the delivery of certain project activities and spending (rather than just receiving as payment) a portion of the grant funds

10. Consultants/Sub-Contractors/Suppliers are commercial providers of services or goods that a grantee enters into a commercial arrangement with after a competitive procurement process for the provision of specific goods or services to the project

11. Project stakeholders / partners may be involved in the project (and may be key to its success) but are not receiving any grant funds

12. Algeria, Angola, Bangladesh, Belize, Burkina Faso, Burundi, Cambodia, Cameroon, , Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Guatemala, Guinea, Haiti, Liberia, Madagascar, Mali, Mauritania, Mozambique, Nigeria, Papua New Guinea, Philippines, Republic of Congo, Sierra Leone, Somalia (Somaliland), South Sudan, Sudan, Suriname, Uganda, Zimbabwe

13. Payments cannot be distributed to the following regions: Afghanistan, Central African Republic, Chad, Cuba, Equatorial Guinea, Guinea-Bissau, Iran, Iraq, Libya, Myanmar, Nicaragua, North Korea, Syria, Turkmenistan, Ukraine, Venezuela, Yemen

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Socio-economic and Climate Impact

Through the grant application process, applicants must ensure that their proposal clearly links to the increased capacity of low-income and vulnerable communities 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, its learning partners and the Fund Manager.

Examples of targets include:

— Number of most vulnerable people supported to cope with the effects of climate change

— Percentage of service users who have reported an increase in preparedness and contingency planning

— Percentage of service users with increased income

— Hectares of land which have been supported to manage land use practices more sustainably including, where relevant strengthening biodiversity

— Amount of food waste reduced

— Biodiversity targets such as species abundance and distribution, reduction in chemical pesticide usage etc.

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 2 years after the end of the grant and will require cooperation with the GSMA's teams to collect additional evidence on project outcomes.

Additionally, grantees will be expected to propose a broader Monitoring Evaluation and Learning (MEL) framework, to be developed further with the GSMA and its learning partners. This should ensure that project partners collect and reflect on a broader base of evidence than just the agreed target indicators. This should include a mix of quantitative and qualitative evidence where possible and ensure adequate time is built in for reflection and adaptation based on findings.

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Type of support available

The support package includes:

— Grant funding (see sections 8 & 9)

— 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, mobile network operator engagement or usability testing.

— Knowledge, expertise, or best practices on the application of digital tools in the climate resilience and adaptation space.

— Learning exchange opportunities with other grantees. Networking opportunities, including with the first cohort of the GSMA Innovation Fund for Climate Resilience and Adaptation as well as other networks – such as the Adaptation Research Alliance.

— Monitoring, evaluation and learning technical assistance to evidence socio-economic impact.

— Facilitation of relationships with mobile operators and public sector organisations, where relevant.

— Facilitation of connections with investors.

— Financial reporting support throughout the duration of the grant, via the Fund Manager.

— Opportunity to increase visibility and profile to potential investors and partners through profiling in GSMA publications, social media, and participation in industry leading MWC events.

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8 — Funds available

The funding will be in the form of a grant which should be exclusively 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 and satisfactory grant spend. Milestone-based payments will be dependent on the grantee delivering proof that mutually agreed milestones/ targets have been completed/achieved. Grantees should be prepared at times to receive reimbursement in arrears of spend occurring, especially the final milestone payment (20%) which will be made at grant closure.

The grants awarded cannot contain any profit element and will be made on a cost-only basis. The Fund will not allow any indirect costs as part of the grant. In addition, a maximum of 10% grant funds can be allocated to direct overhead costs.

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.

9 — 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 & 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 cannot be used to fully satisfy the match requirement.

— Matching contribution cannot be from existing funding from UKAid/ Foreign, Commonwealth and Development Office (FCDO) or The Swedish International Development Cooperation Agency (Sida).

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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: — Cash reserves/revenue Investment funding (equity finance) — Impact investment — Crowdfunding — Grants (from governments, foundations or NGOs)
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: — Use of goods, services and facilities (such as software) — Provision and access to equipment — Technical assistance

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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.

— Complying with due diligence requests.

— Adhering to mandatory financial reporting and budgetary compliance.

— Comply with safeguarding and Sexual Exploitation Abuse and Harassment (SEAH) requirements as outlined in section 3.

— Sharing project data with the GSMA and UKAid/Foreign, Commonwealth and Development Office (FCDO) and The Swedish International Development Cooperation Agency (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. Organisations are expected to submit a monthly report (template will be provided) at the beginning of each month.

— Actively participating in monitoring, evaluation and learning (MEL) activities led by the GSMA.

— Participating in lesson learning and experience sharing activities for internal and public audiences (such as Adaptation Research Alliance (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 UK aid/Foreign, Commonwealth and Development Office (FCDO), Swedish International Development Cooperation Agency (Sida) or other donors' annual review process and a willingness to work with the GSMA's teams to collect additional evidence on project outcomes for up to two years after the grant period, where such support is provided.

— 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.

— Evidencing and demonstrating the impact of their work, including systems to ensure continual learning and improvements.

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for Climate Resilience and Adaptation 2.0

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Application process

All applications to the Fund MUST be submitted in English.

Stage 1 Pitch	Mar – Jun 2023	Complete a short online application to 'pitch' your project for the grant project and describe how you meet the funding criteria that is reviewed by the Fund Manager (see Section 12) and GSMA. The deadline for submitting pitches is **Tuesday, 16 May 2023** at **23:59 UTC+1 (UK time)**. The GSMA will aim to review and confirm the shortlisted applicants 4-5 weeks after the deadline for submitting pitches.
Stage 2 Proposal	Jun – Sep 2023	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. The GSMA and Fund Manager will conduct due diligence assessments of all shortlisted applicants with particular focus on governance and internal controls, safeguarding, ability to deliver, financial management and management of downstream partners.
Stage 3 Fund Panel	Oct 2023	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 **October 2023**.
Stage 4 Contracting	Oct 2023 – Jan 2024	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 milestone- based payments drafted at proposal stage. These payments are dependent on the grantee delivering proof that the mutually agreed milestones have been achieved.
Project Launch	Feb 2024 – Sep 2025	Successful grantees will begin project implementation,

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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

Contact us: GSMAIF@gsma.com

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