Mobile Enabled Community Services

GSMA MECS Innovation Fund: Market Validation Grants

Mobile Enabled Community Services Fund Term Sheet[1]		
1	**The Goal of the Mobile Enabled Community Services (MECS) Initiative** is to improve access to basic energy and water services in underserved communities using mobile technology and infrastructure. The aim is to enable the creation of innovative[2] business models that use technology and the reach of the mobile communications industry to deliver underserved communities with improved access to energy and water services.	
2	**MECS Market Validation Grant Fund Objective**	The specific objective of the Market Validation Grant Fund ("the Fund") is to support partnerships between mobile network operators and/or tower companies with community service providers to trial: promising mobile technologies; and business models that have the potential to increase or improve access to water or energy services to underserved communities at scale.
3	**Regions of implementation**	The Fund is open to support global applicants, but the primary focus is to support projects implemented in: • Sub-Saharan Africa; and • Indian sub-Continent and South east Asia;
4	**Sectoral/Industry Focus**	The Fund is targeted at mobile network operators or mobile tower companies, in partnership or consortium with water service providers or energy service providers and other relevant organisations that use or will use mobile technology or infrastructure to provide commercially sustainable water or energy access[3].
5	**Launch date**	June 2013
6	**Type of funding available**	• Grants for eligible organisations and projects. Funding decisions are made on a competitive, deadline-driven basis by an independent assessment Panel. Only the best applications will receive funding. • Technical assistance (TA) provided at the discretion of the MECS Initiative to support the development of Applications, and implementation of projects. The type and extent of TA will be agreed between the applicant and the Initiative at the application stage.
7	**Size of grants available**	The target grant size for the Fund is between £100,000 and £350,000.
8	**Fund and applicant contributions**	Applicants are expected to contribute a minimum of 50% of the total project costs of the project. These contributions can be made both in cash and in-kind, and preference may be given where applicants contributions are targeted towards capital expenditure items.

[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] The following guidelines are intended to help bidders understand how the issue of innovation will be assessed. MECS applicants should make use of mobile retail and delivery channels, infrastructure, or technology to achieve one or more or the following outcomes: improved access to energy and water services; extended or increased access to energy and water services; or improved sustainability of energy or water services. Innovation in these cases may include: developing a service that is currently not available in the country of implementation; tailoring an existing service to meet the needs of groups that do not currently have access; and finding new ways (including through the use of technology) to support service delivery to underserved communities.

[3] Commercial sustainability may include the payment of fees for the provision of services on behalf of clients such as government funding agencies, and membership cooperatives.

9	**Projects eligible for funding**	To be eligible for funding, projects must meet the following criteria: • The project will involve a mobile network operator or mobile tower company in partnership or consortium with a water service provider or an energy service provider and other relevant organisations that use or will use mobile technology or infrastructure to provide commercially sustainable water or energy services • The project will include the use of the mobile communications channel as a significant element of its delivery model; • The project will result directly in increased or improved access to energy or water services for underserved communities at scale; • The project will involve a commercially sustainable business model for the provision of water or energy access that will be sustainable after the period of grant funding; • The project will have a means of forecasting the extent of outreach (number of poor able to access the service), and the level and the frequency of use; • The project will not be easily supported by other commercial sources of finance; • The funding provided by the Fund will be utilised within one year of project commencement, and all projects will have completed by November 2014; • Priority will be given to those projects which are the most likely to be replicable at scale. In addition, preference will be given to: • Projects that demonstrate equitable access to water or energy for underserved women; • Projects that demonstrate low carbon or renewable solutions to improving access to energy and water for underserved communities. Applications considered to be eligible will be provided to the Independent Assessment Panel for appraisal.

10	**Entities eligible to apply**	To be eligible, lead applicants must have the following characteristics:
		• be, or be in a consortium with:
		  • a Mobile Network Operator or Mobile Tower Company, registered as a member of the GSM Association; and
		  • an energy service provider or water service provider;
		• 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;
		• be in satisfactory financial health;
		• have demonstrated internal capability to implement the project applying an innovative model for service delivery;
		• have adequate internal capacity to implement the project within the agreed timeframe;
		• in the case of a consortium, an MOU will be formed between the members (document with a clear division of responsibilities between the members of

		the consortium and a statement of mutual commitment should be present in the final Application).
		• will take part in the MECS Initiative Annual Working Group;
		• be prepared to:
		  • participate in lesson learning and lesson sharing activities,
		  • participate in DFID's annual review process,
		  • participate in monitoring and evaluation activities,
		  • share project data with the MECS Initiative, and
		  • participate in the development of a case study of their experience for public dissemination;
		• within the consortium, demonstrate knowledge/experience working with underserved communities.

11	**Application procedures**	Applications for funding will be assessed through a **2-Stage application process**. The **first stage** will involve submission of a simple **Concept Note** which will outline the project. Concept Notes will be reviewed by the Fund Manager. Concept Notes that meet the objective of the Fund, and where the lead applicant is eligible, will be invited to develop an **Application** setting out the full business case for the proposed project. A successful Concept Note does not in any way imply that the subsequent Application will be funded. Applications will be appraised, inclusive of an interview process, and approved or otherwise for funding by an independent assessment panel whose decision is final, pending due diligence.
12	**Panel Appraisal of Applications**	Applications will be appraised by the panel on the extent to which they satisfy the eligibility criteria of the Fund, and on the following matters: • the relevance and quality of the innovation proposed to support/enable energy and/or water provision on a commercially sustainable basis; • the quality of the business case and implementation plan including assessment of risks involved and appropriate mitigation plans; • the existing internal capability and capacity of the applicant and its personnel to implement the project in the timeframe set out in the Application; • level of resources mobilised (directly from the applicant, and indirectly as a result of the project) including funding, manpower, additional efforts; • theory of change or pathway to impact[4] (including inputs, outputs, outcomes impacts and assumptions) are clearly defined, measurable and achievable; and • the potential of the proposed model to increase access by underserved communities to sustainable energy and water provision.
13	**Fund Manager**	Coffey International Development
14	**Contact Details**	MECSgrants@gsma.com

[4] A theory of change or pathway to impact should clearly set out how the inputs, outputs, outcomes, impacts and assumptions of the project are linked to the overarching aim of the MECS initiative.