The GSMA Innovation Fund for Digital Urban Services

Terms and Conditions

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Objectives

The GSMA Innovation Fund for Digital Urban Services ("the Fund") supports innovations to build urban resilience through delivering essential urban[1] services to the underserved. The Fund will provide grants and additional support (see Section 5) to small and growing enterprises[2] that leverage digital technology, especially mobile, to deliver urban services with socio-economic and environmental/climate impact in one of the following verticals:

1. Energy
2. Water
3. Sanitation
4. Plastics and Waste Management

The objective of the Fund is to extract insights from business models to inform the improvement of essential urban services delivery across energy, water, sanitation, plastics and waste management. Grants will be utilised to test digital innovations, enable scale, and provide essential services to underserved populations across all four sectors. The grant projects must seek to demonstrate:

- How innovative digital technology, including mobile, can support delivery of urban services to underserved populations;

- What business models and partnerships are required for innovative digital solutions to be adopted at scale;

- What are the social, commercial and environmental/climate impacts delivering urban services to underserved populations; and

- What role mobile operators and other technology companies[3] can play in these business models, and how they can make their role commercially sustainable.

Grants will **NOT** be awarded to the following organisations, although partnerships with these entities as part of the application are strongly encouraged:

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

- Mobile Network Operators;

- University or academic organisations; and

- Start-up accelerators and incubators.

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

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Eligibility

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

- Have active users and commercial revenue (revenue generated from any products or services offered by the organisation) in at least one eligible low- or middle-income market (see Section 3).

- Commit to providing 25% to 50% matching funding depending on the total grant amount requested (see Section 7).

- Ensure the proposed grant project is implemented in an urban area as defined by the World Bank.

- 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).

- To be eligible, applicants must be an eligible entity (as set out in section 1) and 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.

- Only one organisation can apply for funding and become a grantee. An applicant can 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.

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.

- 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[4] (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.

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Eligibility (continued)

- Applicants who proactively demonstrate their solution disproportionately and actively reaches more female users.
- Applicants who have a clear understanding of the environmental/climate impact of their operations and have proactively taken steps to set targets to reduce or 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. meters) 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. Applicants may be required to respond to additional GSMA compliance requests, including disclosing relevant supply chains.
- Having a clear and measurable social or economic impact to demonstrate how they are positively contributing to the UN Sustainable Development Goals (SDGs). Applicants must ensure that their proposal clearly links to increased usage of digital enabled urban service solutions and positive impact for the underserved.
- Being able to demonstrate the potential and appetite to form strategic partnerships with mobile operators and/or technology organisations.
- Having a plan for long-term sustainability 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.
- Organisations piloting with government clients must have an MoU that demonstrates political will and capacity to commit to the project, prior to the final submission of the proposal to the fund panel, although this can be in progress during the application process.
- Organisations selling a service to a government during the grant must have a commercial agreement, prior to final submission of the proposal to the fund panel, although this can be in progress during the application.
- Preference will be given to applicants (organisations) that have not received prior UK aid 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.

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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 or South East Asia.

However, some exceptions apply, projects in the following countries **are NOT eligible for funding**: *Afghanistan, Burundi, Cambodia, Central African Republic, Chad, Eritrea, Equatorial Guinea, Iran, Libya, Republic of Guinea-Bissau, Somalia and South Sudan.*

Additional due diligence checks and eligibility screenings may be required in certain markets.[5] 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.[6]

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4 — Socio-economic impact

Applicants must ensure that their proposal clearly links to increased usage of digital urban service solutions and positive impact for urban low-income underserved populations. Through the grant application process, applicants will be also be asked to identify, clarify and demonstrate how they are contributing positively to the SDGs.

During application and before being awarded a grant, applicants will set and agree measurable socio-economic and environmental/climate targets for the grant project in collaboration with the GSMA and the Fund Manager.

Examples include:

• Number of beneficiaries reached by the product or service; and

• Unlocked income (or savings) generated by the product or service for beneficiaries.

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

Project outcomes will be measured in terms of how solutions achieve affordability, reliability, access, and safety. Throughout the life of the grant, grantees must demonstrate, report, and verify they are promoting sustainable development outcomes in their community, market and/or region.

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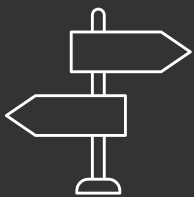
5 — Type of support available

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 lives of low-income households in urban settings.

• Learning exchange opportunities with other grantees and networking opportunities with the GSMA Digital Utilities and ClimateTech programmes' networks.

• 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 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.**

7 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 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 prior to the start of the grant project and 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 UK aid/FCDO.

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: • Cash reserves/revenue Investment funding (equity finance); • Impact investment; • Crowdfunding; and • 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; and • Technical assistance.

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 UK aid/FCDO. The GSMA will work with grantees to agree on confidential data that cannot be shared, and that which can be shared to inform broader sector insights.

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8 Commitments from successful applicants (continued)

- 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.
- Travelling to the 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 travel expenses.
- Participating in UK aid/FCDO or other donors' annual review process and a willingness to work with he GSMA 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

Stage 1 Pitch	May – Jul 2021	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 **23:59 UTC+1 (UK time) 2nd July 2021.** The GSMA will aim to review and confirm the shortlisted applicants 4-5 weeks after the deadline for submitting pitches.
Stage 2 Proposal	Aug – Nov 2021	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 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.
Stage 3 Fund Panel	Nov 2021	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 **November 2021**.
Stage 4 Contracting	Dec 2021 – Mar 2022	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.
Stage 5 Project Launch	Mar 2022	Successful grantees will begin project implementation.

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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/digitalurbanservices

Contact us: GSMAIF@gsma.com

Endnotes

1. **Urban areas** include cities with a population of at least 50,000 inhabitants in contiguous dense grid cells (>1,500 inhabitants per km2) OR towns and semi-dense areas with a population of at least 5,000 inhabitants in contiguous grid cells with a density of at least 300 inhabitants per km2 (See World Bank definition).

2. **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.

3. **Technology companies** refers to the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors.

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

5. Zimbabwe, Myanmar, Nigeria, Cameroon, Lebanon, Republic of Guinea, Tajikistan, Republic of Congo, Angola, Uzbekistan, Algeria, Kenya, Niger, Ethiopia, Mali, Liberia, Sudan, Democratic Republic of Congo.

6. Payments cannot be distributed to the following regions: Syria, North Korea, Iran, Cuba, Iraq, Afghanistan, Somalia, Yemen, South Sudan, Central African Republic, Venezuela, Eritrea, Republic of Guinea-Bissau, Equatorial Guinea, Burundi, Chad, Haiti, Turkmenistan, Cambodia.

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