

GSMA

INNOVATION CALL

Advancing Digital Innovation for Smallholder Farmers in Latin America

Term Sheet



Funded by IDB Lab



IDB Lab is the innovation and venture laboratory of the Inter-American Development Bank Group. Our purpose is to discover new ways to drive social inclusion, environmental action and productivity in Latin America and the Caribbean. IDB Lab leverages financing, knowledge and connections to support early-stage entrepreneurship, foster the development of new technologies, activate innovative markets and catalyse existing sectors.

Executed by Incofin Foundation



Incofin Foundation is a private foundation dedicated to making a positive contribution by increasing the scale and financial return of social investments. It was established by Incofin Investment Management (Incofin IM), a leading international impact fund manager headquartered in Belgium. Incofin IM specialises in investing in dynamically managed enterprises in emerging markets and has strong expertise in agri-food value chains.

If you have any questions, please email Incofin Foundation who is responsible for the execution of the Innovation Call at

innovationcall@incofinfoundation.com

Hosted by the GSMA



The **GSMA** is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

We invite you to find out more at gsma.com

Follow the GSMA: [@GSMA](https://twitter.com/GSMA)

Contents

01 Description and objectives	04
02 Focus areas	05
03 Grants available	06
3.1 Groups of selected entities	06
3.2 Grant amounts	06
3.3 Access to additional support outside the scope of this Innovation Call	07
04 Scope of TA projects and application procedure	08
4.1 Scope of TA projects	08
4.2 Application procedure for TA projects	09
05 Eligibility criteria	10
5.1 General eligibility criteria	10
5.2 Additional eligibility criteria for Group 1 applicants	12
5.3 Additional eligibility criteria for Group 2 applicants	12
5.4 Additional specific eligibility criteria for applicant entities under the category “Financial service providers”	13
06 Selection criteria	14
07 Selection process and key dates	16
08 Commitments from selected applicants	17
09 Endnotes	18
Appendix 1 Providing evidence of a potential partnership with an Israeli agritech	20
Appendix 2 Exclusion list of activities	21
Appendix 3 Definitions provided by the IDB’s Sanctions Procedures	22
Appendix 4 Introduction to KYC form and privacy notice	23

Description and objectives



This Innovation Call will select up to **14 entities offering solutions that use agricultural technologies and digital tools (agritech)** to enhance the **profitability of smallholder farmers**¹ in six Latin American countries, improving their **resilience to climate change**. Additionally, this Innovation Call **encourages solutions** that aim to promote **gender inclusivity**.²

Selected entities will fall into one of two groups³ and receive **grants** to fund **technical assistance (TA) projects** aimed at developing and/or scaling agritech solutions tailored to the conditions, needs and potential of smallholder farmers.

This Innovation Call is a key activity of the project, **"Advancing Digital Innovation for Smallholder Farmers in Latin America"**, which is funded by the **Multilateral Investment Fund (IDB Lab)** and executed by **Incofin Foundation**. Additionally, the project involves potential co-financing from the Government of Israel for agritech solutions capable of incorporating knowledge and expertise from Israeli companies in the agritech field.

¹ The definition of a smallholder farmer, as used in this Innovation Call, is an individual whose landholding is equal to or less than 5 hectares.

² For eligible countries, see section **5.1 General eligibility criteria** ☺

³ For information on the two groups, see section **3.1 Groups of selected entities** ☺



Prospective applicants will be expected to clearly articulate how their agritech solutions support greater profitability and/or climate resilience. Applicants that also prioritise gender inclusion as part of their solutions will be viewed favourably. The agritech solutions will focus on four digital agriculture use cases closely linked to the objectives of this Innovation Call. For example:⁴

- **Digital advisory:** The use of digital solutions, including interactive voice response (IVR), text messaging, apps like WhatsApp and other dedicated apps that provide agronomic information, best practices and advice to smallholder farmers. The aim is to reach more farmers more cost-effectively, with insights that can help them improve their agricultural production processes, boost productivity and reduce losses.
- **Smart farming:** The use of data collected from sensors, drones, satellites and other agricultural assets to provide smallholder farmers with recommendations on how to optimise resources (water, inputs, feed, etc.). The aim of smart farming solutions is often to increase productivity and lower the cost of production.
- **Agricultural digital financial services (DFS):** The provision of financial services (e.g., payments, credit, insurance) through digital channels. The aim of agri DFS is to give farmers access to financial resources that can help them invest in their farms, reduce the risk of extreme climatic events and exit the cycle of poverty.
- **Agri e-commerce:** Online platforms that facilitate the buying and selling of agricultural products, such as crops and livestock, as well as inputs. The aim of agri e-commerce platforms is to identify new markets for smallholder farmers, most often domestically but increasingly internationally.

⁴ The following definitions correspond with those used in Arathoon, L. and Ruiz, A. (2023). *Digital Agriculture Ecosystem Assessment: Colombia. A report for USAID/Colombia.*



3.1 Groups of selected entities

Each entity selected under this Innovation Call will receive a grant to fund a TA project aimed at developing and/or scaling an agritech solution for smallholder farmers. The selected entities will fall into one of the following two groups:

- **Group 1:** Recently established entities aiming to test new business and operational models, proof-of-concept ideas or existing agritech solutions that focus on smallholder farmers and show potential for scale. The Innovation Call will select up to eight Group 1 entities.
- **Group 2:** More mature entities that will receive support to scale their existing business models/ services within the agriculture sector, enhancing their capacity to better serve smallholder farmers through agritech. The Innovation Call will select up to six Group 2 entities.

In both cases, these entities must meet the eligibility criteria established in section **5.1 General eligibility criteria** ☺.

3.2 Grant amounts

The following financial support will be made available to selected entities:

- **Group 1:** Grant funds of up to USD 50,000 in cash to fund the corresponding TA project and costed activities outlined in the application form. These resources are provided by IDB Lab. No matching contribution is expected from Group 1 entities.
- **Group 2:** Grant funds of up to USD 85,000 in cash to fund the corresponding TA project and costed activities outlined in the application form. These resources are provided by TA facilities managed by Incofin IM and IDB Lab. In line with this support, Group 2 entities will need to provide a matching contribution of more than 25% of the requested grant amount. This contribution will be mostly in cash, although a minority part may be in kind, depending on the formulation and approval of the corresponding TA project (see section **4.1. Scope of TA projects** ☺).
- **Both groups:** Additional grant funding from the Government of Israel of up to USD 28,500 in cash per TA project will be allocated to expand the budget of each TA project if the components of the project can be deployed by eligible Israeli agritech entities.⁵ To qualify for this additional grant funding, applicants should provide evidence of a potential partnership with an Israeli agritech (see **Appendix 1** ☺).⁶

Please note that costs unrelated to the implementation of TA projects cannot be covered by the grants described here.⁷

⁵ See **Appendix 1** ☺.

⁶ Selected applicants that do not include an eligible Israeli agritech in their applications to this Innovation Call would have the opportunity to access any remaining funds after the allocation to selected applicants that do include eligible Israeli agritechs. This opportunity will be available after the notification of selection within the framework of this Innovation Call, provided that eligible Israeli agritechs can participate as technical service providers (TSPs) for the corresponding TA projects (see **4.2 Application procedure for TA projects** ☺).

⁷ Ineligible costs are those that are unrelated to the TA project. They are typically associated with the applicant's recurring general administrative expenses and investment needs. These costs include, but are not limited to, taxes, debt and interest payments, staff salaries, office utilities payments, general software licences and capital expenditures, among others.

3.3 Access to additional support outside the scope of this Innovation Call

Depending on the stage of the agritech solutions and the performance of the TA projects, successful Group 1 applicants will be linked to investors with the interest and appetite to invest in early-stage companies.

Group 2 entities will have the opportunity to apply for additional financing from Incofin IM's managed or advised investment funds, using debt and/or equity instruments to facilitate the roll-out or scaling of their agritech solutions.⁸ Investment decisions will be subject to applicant entities meeting the requirements and procedures⁹ established for accessing these investment sources. Furthermore, Incofin Foundation may present Group 2 entities, with their prior acceptance, to other investors to complement potential investments by Incofin IM or when the applicants do not meet the funding requirements of Incofin IM.

8 Incofin IM currently provides debt financing to small- and medium-sized enterprises (SMEs), agricultural cooperatives and financial intermediaries. It also has the potential to offer equity investments.

9 This additional support will entail a separate process beyond the scope of this Innovation Call. Investment decisions by Incofin IM include screening procedures, negotiation of terms, due diligence and approval by governing/steering bodies of investment funds, among others.

Scope of TA projects and application procedure



4.1 Scope of TA projects

Applications that focus on the thematic areas and activities listed in Table 1 will be prioritised.

Table 1

Thematic areas and activities for TA projects

Thematic area	Activities
Digital product/service development	Investing in research and development to improve products and services that use digital solutions in line with the needs and conditions of smallholder farmers
	Conducting user experience (UX) research to support product design
	Improving the digital interface and features of existing solutions through user-centric design (UCD)
	Carrying out training sessions with focus groups of smallholder farmers during the development/enhancement of agritech solutions
	Testing, customising, adapting and enhancing existing services according to smallholder farmers' needs
	Developing strategies to improve the climate resilience of smallholder farmers
	Purchasing digital equipment and software that are necessary to implement/enhance the solution ¹⁰
Data management	Building capacity to capture, process and analyse data from the implementation of agritech services, including productivity, commercialisation, profitability and climate adaptation data
	Implementing data security, data privacy and risk management solutions related to customer information
	Using digital tools to gather feedback from smallholder farmers to support continuous improvement
Business model development	Analysing the competitive landscape and creating strategies to position the agritech solution in the market
	Refining business plans, value proposition, market analysis, revenue model and operational strategies
	Building capacity in regulatory frameworks and compliance requirements relevant to agritech solutions, ensuring adherence to industry standards
	Advising for designing marketing and sales campaigns
Corporate capabilities	Building capacity in fundraising with potential investors
	Strengthening capabilities in strategic planning and risk management
	Training staff in business intelligence analysis
	Developing KPIs for service deployment and impact measurement
	Developing strategies for gender access and inclusion for the agritech solutions offered
	Developing strategies related to environmental, social and governance (ESG) performance
	Strengthening capabilities in financial management and reporting
Enhancing governance	
Strengthening human resources management	

¹⁰ These costs cannot exceed 30% of the financial support specified in section 3.2. Grant amounts ©.

4.2 Application procedure for TA projects

Applicants must **present a description of their TA needs and estimated costs** through the online application form,¹¹ considering the thematic areas and activities explained in the previous section, as well as other complementary activities to develop the agritech solution.

The estimated TA costs **must not exceed** the amounts specified in section **3.2. Grant amounts** ☺. Any value surpassing this limit will be covered by the applicant, if selected.

Where necessary, Incofin Foundation will further **refine the TA needs** presented in the online application form with each selected entity. This refinement will take place after the completion of this Innovation Call and before formulating the corresponding TA project. These refined **TA needs will be the primary input** for formulating the corresponding **TA project, which will ideally not exceed 12 months in duration.**

The selected entities will be responsible for formulating the TA project. Each TA project will require a Theory of Change, indicators (including key performance indicators/KPIs) and goals, budget and procurement plan. Incofin Foundation will offer guidance to selected entities in the formulation of TA projects, providing feedback and requirements for adjustments. Regular reporting to Incofin Foundation will be required.

The final TA project proposals will be subject to a no-objection statement by Incofin Foundation in line with applicable donor rules. These **donors** (IDB Lab, TA facilities managed by Incofin IM and others that may participate) will have **access** to the **proposals** and may also **request adjustments** to the **TA project** before their approval.

Grants for each project will **be formalised through an on-granting agreement** signed by the selected entity (referred to as the “grantee”) and Incofin Foundation. Via this on-granting agreement, **Incofin Foundation will either reimburse the expenses** incurred by the grantee for the execution of the TA project or **make direct payments to Technical Service Providers (TSPs).**¹²

The grantee will directly hire one or more TSPs¹³ previously identified and selected in collaboration with Incofin Foundation.¹⁴ Two mechanisms may be applied:

- 1 The grantee will identify one or more TSPs to execute the TA project,** provided the TSP is a suitable organisation/individual supplier with experience in providing the necessary services for the TA project and their services and fees align with normal market conditions. Incofin Foundation will then review the proposed services and fees of the TSP(s) and, if there are no objections, proceed with the selection.
- 2 If direct selection is not feasible,** Incofin Foundation and the grantee will request **proposals from up to five potential TSPs,** which will be analysed jointly by Incofin Foundation and the grantee to select the required TSP for the TA project.

It must be noted that **if a selected entity included an eligible Israeli agritech in their application** to this Innovation Call, **the latter will be selected directly as a TSP to implement the TA project.**

The grantee will then sign a service contract with each TSP necessary for the execution of the TA project. Each TSP will be required to undergo screening by Incofin Foundation, with support from Incofin IM, for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).¹⁵

The grantee will be responsible for the execution and reporting of the TA project. Incofin Foundation will disburse the grant funds based on satisfactory progress of the TA project and the achievement of certain milestones. Monitoring and evaluation of the TSP will be performed jointly by the grantee and Incofin Foundation.

11 <https://app.smarterselect.com/programs/95202-Incofin-Foundation>

12 Payments for Israeli TSPs will always be made through the reimbursement of expenses to the grantee.

13 Funds from IDB Lab can only be used for payment of services rendered by individuals or firms from IDB Lab member countries (see list [here](#)).

14 If the development of the agritech solution involves the collaboration and exchange of knowledge with an Israeli firm with experience in agritech, the latter will be part of the TA project as a TSP provided they are eligible (see **Appendix 1** ☺) and successfully screened through the “Know your Client” (KYC) form and requested documentation (see sections **6** ☺ and **7** ☺).

15 See **Appendix 4** ☺. Introduction to KYC form and privacy notice.



5.1 General eligibility criteria

The **eligible countries** for this Innovation Call are **Bolivia, Colombia, El Salvador, Honduras, Paraguay and Peru**. Additionally, applicants to the Innovation Call must meet the following general eligibility criteria (Table 2).

Table 2

General eligibility criteria

Source: Incofin Foundation

Criteria	Means of verification
<p>Be legally incorporated in the eligible country(ies) where the agritech solution will be implemented and operate under commercial law. If the entity is not incorporated in the eligible country(ies), submit proof of legally operating in such country(ies) as a foreign entity.</p> <p>If none of the two conditions above is met, the applicant entity must be in the process of legally incorporating in the eligible country(ies) or their steering/governing body will have approved a plan to expand to such country(ies). Nonetheless, preference will be given to applicant entities that meet one of the two conditions above.</p>	<p>Commercial registration certificate issued by the competent authority no more than three months before the submission date of the application to this Innovation Call. This document shall include information regarding the economic activity of the applicant, as well as the composition of ownership.</p> <p><i>If the applicant is not legally incorporated in the eligible country(ies), but already operates legally therein, provide additionally:</i></p> <p>Certificate of registration issued by the competent authority for the branch of a foreign entity. The certificate shall be dated no more than three months before the submission date of the application to this Innovation Call. This requirement applies to entities incorporated in a country other than the six covered by the project.</p> <p><i>If the applicant is neither legally incorporated nor legally operating in the eligible country(ies), provide additionally:</i></p> <p>Documentation proving that the applicant is in the process of legally incorporating in the eligible country(ies) or that their steering/governing body has approved a plan to expand in such country(ies).</p>

Criteria	Means of verification
Be any of the following categories of entities:	
Agritech organisation and/or start-up: Entities offering knowledge-based services powered by innovative digital technologies. These companies tend to combine multiple tools, such as big data, artificial intelligence (AI), Internet of Things (IoT) and blockchain, among others, which can be utilised across different use cases along agricultural value chains. ¹⁶	Current business plan or similar document that states the goals and objectives of the applicant entity.
Financial service provider: Entities providing financial services to actors that participate in activities across agricultural value chains. These services may include credit, savings, insurance, microcredit, leasing and trade finance, among others.	Current business plan or similar document that states the goals and objectives of the applicant entity. Certificate/supporting documentation issued by the competent authorities, confirming that the applicant is authorised to provide financial services in the eligible country(ies). The issuance date shall be no more than three months before the submission date of the application to this Innovation Call.
Producer organisation: Formal rural entities whose members organise themselves with the objective of increasing farm income through improved production, marketing and local processing activities. ¹⁷	Current business plan or similar document that states the goals and objectives of the applicant entity.
Agribusiness or corporate with procurement arrangements with smallholder farmers: Companies often involved in the agriculture or food industry, having established formal contractual arrangements with smallholder farmers for the purchase of agricultural products. Such arrangements may also include services provided by the company to smallholder farmers, such as advisory services, input financing and commercial services.	Current business plan or similar document that states the goals and objectives of the applicant entity. Contracts in force and/or potential contracts with organisations of smallholder farmers showing procurement arrangements with them.
Own the intellectual property (IP) rights for the agritech solution and not be resellers of third-party software. If the applicant does not own the IP, it should have the necessary rights to modify the IP.	Supporting documentation, for example: copyright registration, trademark registration, etc.
Are not included in IDB Group's List of Sanctioned Firms and Individuals. ¹⁸	Incofin Foundation will verify that the applicant is not included in the official lists.
Are not incorporated in any high-risk jurisdictions subject to a Call for Action by the Financial Action Task Force (FATF). ¹⁹	Document indicating the names of the senior management staff of the entity and the members of the board of directors/highest steering body.
Are not incorporated in countries or territories directly subjected to comprehensive international sanctions or embargoes, in particular as issued by the European Union (EU), ²⁰ the United Nations (UN) ²¹ or the Office of Foreign Assets Control (OFAC). ²²	Document showing the composition of the ownership structure of the entity, listing the owners and percentage of ownership they hold in the entity. In the case of nonprofit entities, list of legal members.
In the case of individuals, no member of the applicant's board of directors, senior management or shareholder can be included on those lists.	
If the applicant includes an Israeli firm in their proposal, these requirements will also apply to them.	
Have a bank account in any of the six countries covered by the project, where the entity is either incorporated or legally operating as a foreign entity.	Certificate from the bank where the account is held, issued no more than three months before the submission date of the application to this Innovation Call. If the applicant is currently in the process of registering or its steering/governing body has approved a plan to expand in an eligible country(ies), confirm commitment to open a bank account in such country(ies).

In addition to the above criteria, applicants must not be involved in activities specified in **Appendix 2** ©. **Exclusion list of activities.**

- 16 Bert, F., Lachman, J. and Del Río, J. (2023). *Desarrollo agtech en la región andina: casos de éxito y lecciones para el futuro*. Inter-American Development Bank.
- 17 Rondot, P. and Collion, M-H., Eds. (2001). *Agricultural Producer Organizations: Their Contribution to Rural Capacity Building and Poverty Reduction - Report of a Workshop*, Washington, D.C., 28-30 June 1999. Rural Development Department, World Bank.
- 18 IDB Sanctioned Firms and Individuals: <https://www.iadb.org/en/transparency/sanctioned-firms-and-individuals>
- 19 High-risk and other monitored jurisdictions: <https://www.fatf-gafi.org/en/topics/high-risk-and-other-monitored-jurisdictions.html>
- 20 EU Consolidated list of persons, groups and entities subject to EU financial sanctions: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>
- 21 United Nations Security Council Consolidated Sanction List: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>
- 22 OFAC Specially Designated Nationals and Blocked Persons "the SDN List" and Consolidated Sanctions List: <https://ofac.treasury.gov/consolidated-sanctions-list-non-sdn-lists>

5.2 Additional eligibility criteria for Group 1 applicants

Table 3 includes additional eligibility criteria for Group 1 applicants.

Table 3

Additional eligibility criteria for Group 1

Source: Incofin Foundation

Criteria	Means of verification
Have a track record of business operations of one to less than three years.	Commercial registration certificate issued by the competent authority no more than three months before the submission date of the application to this Innovation Call.
Be a micro- or small enterprise. To demonstrate this status, the entity must meet at least two of the following three criteria: <ul style="list-style-type: none"> • Total assets <USD 3,000,000 • Annual sales <USD 3,000,000 • Total number of employees ≤49 	Balance sheet and income statement signed by the legal representative and the person in charge of accounting work, preferably dated as of 31 December 2023, but no earlier than 31 December 2022. Certificate by the legal representative of the entity indicating the number of employees, with an issuance date no more than three months before the submission date of the application to this Innovation Call.

5.3 Additional eligibility criteria for Group 2 applicants

Table 4 includes additional eligibility criteria for Group 2 applicants.

Table 4

Additional eligibility criteria for Group 2

Source: Incofin Foundation

Criteria	Means of verification
Have a track record of business operations of three or more years.	Commercial registration certificate issued by the competent authority no more than three months before the submission date of the application to this Innovation Call.
Be a medium or large enterprise. To demonstrate this status, the entity must meet at least two of the following three criteria: <ul style="list-style-type: none"> • Total assets ≥USD 3,000,000 • Annual sales ≥USD 3,000,000 • Total number of employees ≥50 	Balance sheet and income statement signed by the legal representative and the person in charge of accounting work, preferably dated as of 31 December 2023, but no earlier than 31 December 2022. Certificate by the legal representative of the entity indicating the number of employees, with an issuance date no more than three months before the submission date of the application to this Innovation Call.
Be commercially sustainable, which is defined as having, at least, a positive EBITDA margin on average over the previous three years.	Balance sheet and income statement signed by the legal representative and the person in charge of accounting work, as of 31 December 2021; 31 December 2022; and 31 December 2023. If the documentation for 31 December 2023 is unavailable, include the most recent available documentation for 2023.
Have at least one year of financial audit reports.	Latest audited financial report.

5.4 Additional specific eligibility criteria for applicant entities under the category “Financial service providers”


If the applicant is a financial service provider (FSP), the following criteria must be fulfilled.

Table 5

Additional criteria for financial service providers

Source: Incofin Foundation

Criteria	Means of verification
Comply with the applicable local banking or nonbank financial institution (NBF) regulation and/or with the prudential rules applicable to NGOs or other institutions not regulated under banking and NBF regulations and laws, including all relevant environmental and social legislation.	Supporting documentation proving this condition issued by competent authorities with an issuance date no more than three months before the submission date of the application to this Innovation Call.
Be externally audited and have at least three years of audited financial reports.	Audited financial reports as of 31 December 2021; 31 December 2022; and 31 December 2023. If the documentation for 31 December 2023 is unavailable, include the most recent available documentation for 2023.
Have sound portfolio quality, demonstrated by: <ul style="list-style-type: none"> Adjusted equity to assets $\leq 8\%$ Return on assets, excluding donations $\leq -2\%$ PAR 30 + Rescheduled + Write-off ratio (including COVID moratorium/restructuring) $\geq 12\%$ 	Audited financial reports as of 31 December 2023. If the documentation for 31 December 2023 is unavailable, include the most recent available documentation for 2023.
Have a loan portfolio of at least USD 2 million in the agriculture sector.	Audited financial reports as of 31 December 2023. If the documentation for 31 December 2023 is unavailable, include the most recent available documentation for 2023.
OR	
Have at least 20% of the financial institution’s total portfolio allocated to smallholder farmers (i.e., farm size is equal to or less than 5 hectares).	

If the applicant entity includes a potential partnership with an Israeli agritech to develop the proposed agritech solution, please see **Appendix 1** .



Agritech solutions presented by eligible applicants will be reviewed based on the selection criteria outlined below. These criteria will be verified based on the information and supporting documentation provided in the online application form.

A group of eligible applicants will be shortlisted based on these selection criteria. Their applications will be assessed by an evaluation panel. Shortlisted applicants may be contacted by Incofin Foundation and members of the evaluation panel for clarifications about their applications.

Following this process, the evaluation panel will preselect 14 applicants. This group will undergo a screening process for AML/CFT purposes. Incofin Foundation will send a Know Your Customer (KYC) form and request additional documentation from these applicants. This form will also be sent to eligible Israeli agritech companies that were included in the applications of the preselected group. Completion of the KYC form by the applicants, along with the submission of additional documentation, is required to confirm there are no restrictions for receiving funding from this project (see **Appendix 4. Introduction to KYC form and privacy notice** ☺).

The final selection will be confirmed upon satisfactory validation of the additional information provided by the preselected applicants. If an applicant fails to complete the AML/CFT screening, another shortlisted applicant may be invited to participate in this confirmation process to complete the final list of 14 selected applicants.²³

The final selection criteria are:

- **Demonstrates impact.** The proposal clearly demonstrates how the agritech solution improves the profitability and/or climate resilience of smallholder farmers while minimising any adverse and unintended social or ecological impacts in the proposed country of implementation.
- **Addresses barriers to uptake of the agritech solution.** The proposal (i) clearly analyses the challenges of providing agritech goods and services to smallholder farmers;²⁴ (ii) explains the strategies to address those challenges through digital technology, especially mobile, to deliver solutions described in **Section 2. Focus areas** ☺; (iii) makes a clear case for why the agritech solution will be attractive to smallholder farmers; and (iv) explains the innovative/disruptive nature of the solution.
- **Ability to capture farm-level data and measure impact.** Even though TA projects may include activities to create capabilities for measuring and tracking smallholder farmers' data, particularly regarding profitability and/or climate resilience, applicants that currently have this capability will be preferred in principle over those that do not.
- **Financial sustainability.** The agritech solution is based on a profitable business model that is suitable for the payment capacity of the smallholder farmers and/or other purchasers (producer organisations, B2B2C, etc.).
- **Target market.** The target market for the agritech solution is clearly identified, including its size, competitive landscape and an evident plan to capture it.

²³ Eight entities in Group 1 and six entities in Group 2.

²⁴ For instance, limited connectivity in rural areas; low digital skills; the types of devices owned and used by smallholder farmers; payment capacity of smallholder farmers; potential aversion to technological uptake; incentives for smallholder farmers to use the agritech solution; and others applicable to the proposal.

- **Positive impact on gender inclusivity.** Proposals with substantiated analysis of the conditions of female smallholder farmers, and corresponding strategies for enhancing inclusive access and equality in the uptake of agritech, will be especially considered.
- **Comprehensiveness.** Solving various “pain points” in agricultural value chains rather than one specific problem is a growing trend in the Latin American region.²⁵ Thus, solutions that take a more holistic approach to serving smallholder farmers will be highly regarded.
- **Incorporates knowledge of Israeli agritechs.** Applications that demonstrate the agritech solution can be developed or enhanced through the TA project, including exchange and collaboration with an Israeli firm with proven experience in agritech, will be highly regarded (see **Appendix 1** for more details).
- **Development stage of the agritech solution.** If the applicant is already implementing an agritech solution, the current degree of implementation and use by smallholder farmers will be considered indicators of potential scalability and consolidation.
- **Core team expertise.** The evaluation will consider the collective expertise, diversity and skills of the entity’s core team, emphasising their relevant industry experience and innovative thinking.

²⁵ Loukos, P. and Arathoon, L. (2021). *Landscaping the Agritech Ecosystem for Smallholder Farmers in Latin America and the Caribbean*. Inter-American Development Bank and GSMA.

Selection process and key dates



Table 6

Selection process and key dates

Source: Incofin Foundation

Stage	Timeline	Description
Submission of the online application form	21 Feb 2024 – 12 April 2024	Submit the application form and upload relevant documentation at: https://app.smarterselect.com/programs/95202-Incofin-Foundation
Application review and shortlisting	13 Apr 2024 – 31 May 2024	Applications will be reviewed against the eligibility and selection criteria to establish a shortlist. Calls with applicants may take place to support the shortlisting process, if needed.
Preselection	01 Jun 2024 – 10 Jul 2024	The evaluation panel assesses shortlisted applications. Provides feedback and may pose questions. Calls with shortlisted applicants may take place to support the preselection process, if needed.
Notification of preselection and delivery of KYC form to preselected applicants	11 Jul 2024	Preselected applicants are notified about the evaluation panel's decision and receive the KYC form and list of additional documentation ²⁶ to confirm their suitability to receive resources from the project. If the preselected applicant included an Israeli agritech as a potential TSP, the Israeli firm will also need to fill out and submit the KYC form along with the required documentation.
Submission of KYC form and additional supporting documentation	12 Jul 2024 – 26 Jul 2024	Preselected applicants (and Israeli agritechs, if applicable) submit the KYC form and required documentation.
Analysis of KYC form and documentation	13 Jul 2024 – 15 Aug 2024	The information and documentation are validated. Preselected applicants may be required to clarify aspects of the information submitted.
Confirmation of selection	16 Aug 2024	Selected applicants are confirmed and notified upon satisfactory validation of the information submitted.

Incofin Foundation reserves the right to modify these dates if necessary.

²⁶ Examples of documents required for the KYC screening process include, but are not limited to: a copy of the ownership structure, an Ultimate Beneficial Owner (UBO) register and valid passport copies of all UBOs, members of the board of directors, senior management and the authorised signatory and/or legal representative.

Commitments from selected applicants



The following minimum commitments are required to be undertaken by the selected entities, without prejudice to other requirements that may be necessary to secure funding for the TA project:

- Assign a skilled and experienced Product Manager, for the duration of the grant implementation period, who will coordinate the TA project and serve as the main contact point with Incofin Foundation. The Product Manager should possess technical expertise relevant to the development of the proposed agritech solution.²⁷ The areas of their technical expertise can include, among others: agricultural practices around crop management, livestock and agricultural value chains; development of mobile apps, platforms or software related to agriculture; data analytics; climate change adaptation and resilience; and inclusivity and gender mainstreaming.
- Confirm the endorsement of the board of directors/steering body of the entity to be involved in the TA project. This body must also demonstrate a commitment to conducting regular project oversight.
- Share relevant platform/transactional data with the TSP(s) hired for the TA project, as well as with Incofin Foundation, for analysis to guide a data-driven and iterative product development approach, in addition to tracking user and impact statistics. The sharing of this data and its protection will be covered by a data processing agreement.
- Take part in remote and in-person knowledge-sharing sessions organised by Incofin Foundation, as well as knowledge networks that may be established to benefit smallholder farmers in Latin America and the Caribbean.
- Share lessons and best practices from the implementation of the TA project.
- Not to commit, engage in or be involved with (or authorise or permit any affiliate or any other person acting on their behalf to commit, engage in or be involved with) any prohibited practice. Prohibited practices include corruption, fraud, collusion, coercive or obstructive practices or misappropriation, pursuant to the definitions provided by the IDB's Sanctions Procedures (see definitions in **Appendix 3. Definitions provided by the IDB's Sanctions Procedures** ☺).

²⁷ For instance, a systems engineer with experience in app development if the agritech solution involves providing digital advisory services through mobile devices; an agronomist who is tasked with analysing production trends for services offered under smart farming schemes, etc.



- Although it is not an eligibility or selection criterion, it is advisable that applicants have English-speaking staff members who are able to interact with Incofin Foundation, IDB Lab and evaluation panel members during the development of the Innovation Call and subsequent processes if their entity is selected.
- Incofin Foundation is the manager of the Innovation Call. For questions and more information, please send an email to: innovationcall@incofinfoundation.com

Annexes

Appendix 1

Providing evidence of a potential partnership with an Israeli agritech

To demonstrate that the agritech solution has potential for collaboration and exchange with an Israeli agritech, the applicant must be able to substantiate that they may receive technical advice from an Israeli firm with proven experience in harnessing technological tools for delivering services to agricultural producers. The Israeli firm will have a track record of at least five years of commercial operation.

To substantiate this, the applicant must attach the Memorandum of Understanding template provided in this Innovation Call,²⁸ signed by the legal representatives of both the applicant and the Israeli firm, and upload it to the online application form.²⁹

Additionally, the applicant must attach a certificate of registration or any other legal document of the Israeli firm (with an issuance date no older than six months), where it can be confirmed that the signatory has the legal capacity to sign the Memorandum of Understanding and, furthermore, that the Israeli firm has been operating commercially for at least five years.

Moreover, the applicant will clearly indicate the services to be provided by the Israeli firm and the cost of such services, which shall be inclusive of any duties, taxes and levies of any kind,³⁰ as well as a description of how the Israeli firm fulfils the requirement of having expertise in agritech in their commercial operations. To provide evidence of this expertise, the applicant will attach the Israeli firm's current business plan.

Lastly, the Israeli firm should not have any involvement in the ownership structure of the applicant, act as a founder of the applicant or be a member of the applicant's board of directors or steering body.

The previous information and supporting documentation will need to be provided on the online application form.

28 <https://incofin.com/wp-content/uploads/MoU-Template.docx>

29 <https://app.smarterselect.com/programs/95202-Incofin-Foundation>

30 If the applicant's agritech solution is selected, this information will serve as part of the inputs for identifying the needs and scope of the final TA project, as well as its budget. The ultimate participation of the Israeli firm in the TA project will be subject to the final agreement between the applicant and Incofin Foundation regarding the project.

Appendix 2

Exclusion list of activities

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, PCBs, wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the International Finance Corporation (IFC) considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets more than 2.5 km in length.
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Production or activities involving harmful or exploitative forms of forced labour³¹/harmful child labour.³²
- Production, trade, storage or transport of significant volumes of hazardous chemicals, or commercial-scale use of hazardous chemicals. Hazardous chemicals include gasoline, kerosene and other petroleum products.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous peoples, without full documented consent of such peoples.
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
- Destruction³³ of High Conservation Value Areas (HCVAs).³⁴
- Pornography and/or prostitution.
- Racist and/or anti-democratic media.

31 "Forced labour" means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

32 "Harmful child labour" means the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

33 "Destruction" means the elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or modification of a habitat in such a way that the area's ability to maintain its role is lost.

34 "High Conservation Value Areas" are defined as natural habitats where these values are considered to be of outstanding significance or critical importance.

Appendix 3

Definitions provided by the IDB's Sanctions Procedures

“Prohibited Practice” means any of the following:

- 1 A “Corrupt Practice” is the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- 2 A “Fraudulent Practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- 3 A “Coercive Practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- 4 A “Collusive Practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- 5 An “Obstructive Practice” is: (I) destroying, falsifying, altering or concealing of evidence material to an IDB Group investigation, or making false statements to investigators with the intent to impede an IDB Group investigation; (II) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an IDB Group investigation or from pursuing the investigation; or (III) acts intended to impede the exercise of the IDB Group’s contractual rights of audit or inspection or access to information.
- 6 A “Misappropriation” is the use of IDB Group financing or resources for an improper or unauthorised purpose, committed either intentionally or through reckless disregard.

Appendix 4

Introduction to KYC form and privacy notice

Incofin IM will not engage in a business relationship with entities that have not been correctly identified.

To fulfil their legal obligations, Incofin IM processes personal data, such as identification data and data related to criminal activities. This data is collected for AML/CFT purposes. Incofin collects this data directly from their customers and partner entities, as well as from publicly available sources.

Incofin IM may share this data with their local subsidiaries and managed and advised funds. Incofin IM will also share personal data with competent authorities when it is legally required to do so. Personal data processed for AML/CFT purposes will be retained while Incofin IM, their subsidiaries and managed and advised funds, have a relationship with the customer and after that for 10 more years. Every person (“data subject”) has the right to file a complaint and to access, rectify and, for duly justified reasons, request to erase this data. The data subjects can exercise their rights by contacting the compliance team of Incofin IM. If no satisfactory solution can be found, the data subject can also contact the Belgian Data Protection Authority (dataprotectionauthority.be/citizen).

GSMA Head Office

1 Angel Lane
London EC4R 3AB
United Kingdom

Tel: +44 (0)20 7356 0600

Fax: +44 (0)20 7356 0601

