



GSMA Innovation Fund (GSMAIF)

Downstream Partner Guidelines

1. Purpose of the Guidelines

This document is intended to provide guidance in relation to the level of due diligence, contracting and management/reporting that GSMAIF requires Grantees to conduct on the organisations that they partner with or delegate responsibility to for carrying out GSMAIF-supported activities (their **Downstream Partners**).

It is the responsibility of the Grantee to ensure that they meet & follow the below expectations and that they ensure their Downstream Partners deliver and manage the GSMAIF-supported activities in accordance with the requirements set out in the Grant Agreement between GSMAIF and the Grantee.

2. Expectations

GSMAIF is funded by the UK Foreign, Commonwealth & Development Office (FCDO). FCDO imposes specific requirements and obligations in relation to how its funds can be used. These requirements and obligations are passed onto GSMAIF by FCDO and in turn GSMAIF must pass them onto Grantees through the Grant Agreement for GSMAIF funds.

- Grantees are always required to carry out satisfactorily robust due diligence on each organisation that forms a link in the delivery chain of GSMAIF-supported activities.
- Grantees are also required to enter into appropriate agreements or contracts that pass on the relevant requirements of the Grant Agreement to Downstream Partners and ensure that those organisations then carry out suitable due diligence and contracting on any organisations that they further delegate responsibility to.
- Grantees are required to ensure that they appropriately monitor the performance of Downstream Partners undertaking the delivery of project activities and that all costs incurred by Downstream Partners are in accordance with GSMAIF guidelines & are appropriately evidenced.

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3. Requirements

As a general rule for Grantees:

- Due Diligence should always be conducted when entering into an agreement or contract or purchase order with a Downstream Partner, and the agreement or contract or purchase order should appropriately pass down all relevant GSMAIF requirements (including relating to reporting and management/expenditure of funds)
- Due Diligence is not required for one-off cash (or card) purchases where they will not be a formal written agreement or contract or purchase order.
- Where there is a pre-existing agreement or contract with a Downstream Partner (entered into before the provision of GSMAIF support), then due diligence does not need to be carried out again but confirmation should be provided by the Grantee certifying that the equivalent due diligence was carried out during the initial contracting and that the pre-existing agreement or contract appropriately passes down all relevant GSMAIF requirements.

The type of Downstream Partner and the related obligations can be differentiated by the level of responsibility delegated:

Consultants/Sub-Contractors/Suppliers

Where a Grantee procures and contracts a commercial service provider (who has no stake in the project) to carry out specific activities, at a set cost, within a set timeframe, the level of due diligence that GSMAIF expects the Grantee to conduct will include (but does not need to be limited to):

- Formal Identification (e.g. confirmation of registration/incorporation)
- Compliance with national legislation, insurance requirements and health and safety regulations
- Government Relationships (e.g. declaring instances where the Organisation principal(s) /Individual is, employs, or is closely related to a public official)
- Prior Conduct (e.g. declaring past instances of criminal, corrupt, unethical, or unlawful cost related to the Organisation/Individual or subsidiaries)
- Certification that the above is true.

Project Stakeholders/Partners

Where a Grantee is the principal organisation leading on the implementation of the GSMAIF-supported activities, but other project stakeholders or partners (who will often have a stake in the project or the Grantee's organisation) are involved in the project, but are not responsible for carrying out GSMAIF-supported activities or receiving GSMAIF funds (e.g. a silent partner or investor) the level of due diligence that GSMAIF expects the Grantee to conduct or certify to having already conducted will include (but does not need to be limited to) that listed under the Consultants/Sub-Contractor/Suppliers section.

It is expected that the Grantee will have entered into an agreement or MOU with the project stakeholders or partners that formalises all roles and commitments in relation to the project.



Sub-Recipients

Where a Grantee delegates responsibility for not just carrying out specific tasks but also managing the project activities and the use of GSMAIF funds to an organisation (often with a stake in the project or the Grantee), GSMAIF requires that an agreement or contract be in place between the Grantee and the Sub-Recipients (within 30 days of the Grant Agreement becoming effective) which passes on all relevant obligations of the Grant Agreement and that prior to that agreement being executed the Grantee will have conducted due diligence that includes (but does not need to be limited to):

- All items listed from the Consultants/Sub-Contractor/Suppliers section.
- Fiduciary – assessing an organisation’s financial viability, the reliability and integrity of their financial controls and processes, how their anti-fraud/bribery/corruption measures have been implemented and are monitored, and whether they have measures in place to ensure value for money is achieved.
- Delivery – assessing whether an organisation has suitable policies and procedures in place to effectively deliver the activities delegated to them, and whether they have suitable staff capacity and ability to perform the activities delegated to them.
- Operational – assessing whether an organisation has a suitable decision making / governance structure, whether they are able to comply with all national legislation and regulations, and how they monitor and manage risks and issues.
- Safeguarding – assessing how an organisation monitors and manages labour and employee working conditions, how recruitment is performed, whether they have implemented or are implementing measures to help identify/address modern slavery in supply chains, and (where physical or economic relocation is expected to occur as a result of the delegated activities) whether suitable environment and social impact assessments have been carried out.
- Reputational – assessing whether an organisation is involved in any controversies, problems, disagreements etc. that may represent a reputational risk to GSMAIF or FCDO (e.g. criminal action, environmentally unsustainable practises, accusations of fraud or corruption etc.).

It is the responsibility of the Grantee to ensure that any Sub-Recipients manage the delivery of activities and expenditure of GSMAIF funds in a manner that complies with all GSMAIF guidance and the provisions of the Grant Agreement between GSMAIF and the Grantee. Grantees will not be reimbursed for costs incurred by Sub-Recipients that they cannot evidence or if costs incurred or activities undertaken by Sub-Recipients are identified to be inappropriate.