



# GSMA INNOVATION FUND FOR MOBILE INTERNET ADOPTION AND DIGITAL INCLUSION



Terms and Conditions

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OBJECTIVES

The GSMA Innovation Fund (“the Fund”) supports innovative start-ups or small to medium sized private sector companies (SMEs) in emerging markets to achieve sustainable growth and improved socio-economic impact. The Fund aims to support innovation that increases **mobile internet adoption and usage** for the underserved and those who are currently not using mobile internet services. The Fund is looking for start-ups or SMEs willing and able to work with mobile operators on projects which advance the United Nations Sustainable Development Goals (SDGs).

The objective of the Fund is to support solutions that seek to address one or more of the following barriers to mobile internet adoption:

- **Accessibility:** Innovations which improve the accessibility and usability of handsets and mobile internet services for citizens who are unable to access them. This will not include accessibility to networks, electricity or IDs
- **Affordability:** Innovations which improve affordability of handsets and mobile internet services
- **Digital skills:** Innovations which focus on improving basic digital skills and confidence to access and use mobile internet
- **Safety and security:** Innovations which focus on improving safety and security of those who want to use mobile internet. This will not include tackling issues of data privacy and fraud

This Fund will not support services, solutions or business models that have a focus on the creation of sector specific locally relevant content (e.g. health or agriculture services; or maternal or childcare content). The Fund will not support the manufacturing or importation of hardware where access to hardware (e.g. mobile devices) is seen as a barrier to internet adoption and usage.

The Fund will seek to:

- Promote partnerships between mobile operators and start-ups or SMEs in order to increase the reach of innovative mobile services to low-income citizens
- Test business models with the greatest potential for growth and impact in Asia and Africa
- Provide lessons and examples on the ways in which mobile is driving positive socio-economic change

The Fund is supported by the UK Department for International Development (DFID), BMZ, the GSMA and its members.

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ELIGIBILITY

The Fund aims to increase mobile internet adoption and usage among those who have access to mobile internet services but are not using it. It is open to post-revenue start-ups or SMEs using mobile technology to solve local challenges through a 15- to 18-month project, and who are registered and operating in Asia and Africa (see 3).

**To be eligible to apply, start-ups or SMEs must meet the following criteria:**

- Have active users and revenue in at least one eligible low- or middle-income market (see 3)
- Use or be planning to use mobile technology strategically
- Have the potential and appetite to form strategic partnerships with mobile operators
- Have clear and measurable socio-economic impact, in particular: serving low-income citizens, rural populations, women and/or youth (see 3)
- Demonstrate how they will advance the SDGs
- Be registered and operating in the country of project implementation. The applicant must also be registered in the country where they will receive the grant money (if not the same as the implementation country).
- Be fully compliant with relevant business licensing, taxation, employee and other relevant regulations in all countries of operation
- Be compliant with all applicable laws including upholding/adhering to fundamental human rights, **UK Modern Slavery Acts, Gender Equality Act, Child Protection Policies** and all international labour standards
- Have 50% matching funding for the total grant amount ‘in cash’ and/or ‘in kind’ (see 7)

**During the selection process, we will also ensure eligible applicants have:**

- Adequate financial systems to report regularly to the Fund and, if required, undergo an external audit
- 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

**We particularly encourage the following start-ups or SMEs to apply:**

- Applicants must proactively demonstrate that they have taken steps to ensure their solution reaches women as well as men, in addition to people with disabilities and/or have solutions that disproportionately reach women (or have the potential to)
- Female founders, and applicants with good representation of women at all levels of the organisation
- Local founders supporting local talent



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GEOGRAPHY

**Africa:** Preference will be given to the following list of countries but high quality proposals will be considered from **across Sub-Saharan Africa**

Burkina Faso, Chad, Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Uganda, Zambia, Zimbabwe

**Asia:** Bangladesh, India, Indonesia, Myanmar, Nepal, Pakistan, Sri Lanka

**Note:** Additional due diligence checks may be required for some markets

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SOCIO-ECONOMIC IMPACT

Through the grant application process, applicants will be asked to identify, clarify and demonstrate how they are positively contributing to the **Sustainable Development Goals (SDGs)**. The applicants must ensure that their proposal clearly links the output of their offering to increasing digital inclusion.

During application and before being awarded a grant, applicants will set and agree measurable socio-economic targets for the grant-funded project in collaboration with the GSMA and the Fund Manager. Examples include: number of beneficiaries reached by the product or service; mobile internet adoption and usage uptake; use of other mobile services; unlocked income, etc. Targets will be broken down by demographics (e.g. gender, low-income) where relevant and appropriate.

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.

These outcome 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.

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TYPE OF SUPPORT AVAILABLE

The support package includes:

- Grant funding (see 6 and 7) between £100,000 and £250,000
- Mentoring on the use of mobile technology including expert advice and bringing organisations together physically or virtually to share relevant insights, and best practice on how to overcome the barriers preventing the unconnected from adopting and using mobile internet (including specific expertise on women, rural, etc.)
- Monitoring and evaluation support to help evidence SDG outcomes and promote product improvement
- Facilitation of relationships with mobile operators
- Bootcamp (a programme of expert-led sessions and targeted networking) and regular offline clinics including session on improvements of your product or service through, for instance, supporting human-centred design or usability testing led by subject-matter experts
- Opportunity to increase your visibility and raising the your profile to potential investors and partners through profiling in our publications, social media, and participation in our events such as **Mobile World Congress Barcelona** (global) and the **M360 series** (regional)

Beyond this support, the selected grantees will also benefit from enhanced visibility through the programme's insight publications, learnings through exchange with other portfolio grantees and networking opportunities with the programme's networks.

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FUNDS AVAILABLE

The funding will be in the form of a grant which should be used for a specific project. The Fund will therefore not be taking any equity against the funding; it will however closely oversee the monetary usage of the grant and only disburse funding based on milestone achievements. 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 requirements for the project to be funded, as well their reasons for the funding amount requested:

- The amount can be between £100,000 and £250,000
- The funding requires at least 50% match funding from applicants 'in cash' and/or 'in kind' (see 7)

The duration of the project can be between 15 and 18 months.

The two types of projects the Fund is interested in are:

- **Innovative new product, service or business model:** a project where a new value proposition is developed and launched
- **Expansion in existing or to new market(s):** a project which launches an existing product or service into new market(s) or expands a product or service to a target market that is digitally excluded

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 50% of the amount requested. For instance, if a start-up or SME is requesting £200,000 from the Fund, a contribution of at least £100,000 from other sources is required.
- Matching contributions are also expected to be used towards the proposed project
- Matching contributions can be made 'in cash' and/or 'in kind':

Type of matching accepted	Description	Evidence accepted	Example (sources)
<b>In cash</b>	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: <ul style="list-style-type: none"> <li>• Cash reserves/revenue</li> <li>• Investment funding (equity finance)</li> <li>• Impact investment</li> <li>• Crowdfunding</li> <li>• Grants (from governments, foundations or NGOs)</li> </ul>
<b>In kind</b>	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: <ul style="list-style-type: none"> <li>• Use of goods, services and facilities (such as software)</li> <li>• Provision and access to equipment</li> <li>• Technical assistance</li> </ul>

If selected, applicants must be committed to:

- Executing the GSMA's form of Grant Agreement (to be shared with shortlisted applicants) without material modifications
- Sharing project data with the GSMA. All data will be treated confidentially, unless agreed otherwise between the start-up and the Fund.
- Reporting regularly on socio-economic impact, mobile-related metrics (internet and other mobile services) and commercial performance through mutually-agreed KPIs (gender disaggregated where relevant/appropriate)
- Participating in lesson learning and experience sharing activities for internal and public audiences
- Travelling to GSMA or other key events where relevant. Part of the funding given shall be allocated to specifically cover these travel expenses.
- Participating in DFID or other donors' annual review and a willingness to work with the GSMA's teams to collect additional evidence on project outcomes, where such support is provided
- Providing demonstration material of the product or service to the GSMA (expenses can be covered)

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**MATCHING CONTRIBUTIONS**

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**COMMITMENTS FROM SUCCESSFUL APPLICANTS**



## APPLICATION PROCESS

<b>Stage 1 Pitch</b>	<b>April – May 2020</b>	<p>Complete a short online ‘pitch’ questionnaire for the project and demonstrate how you meet the funding criteria, to be reviewed by the Fund Manager and the GSMA. The deadline for submitting pitches is 22 May 2020.</p> <p>The GSMA will aim to review and confirm the shortlisted applicants after 2-3 weeks of the deadline for submitting pitches.</p>
<b>Stage 2 Proposal</b>	<b>June – August 2020</b>	<p>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 support from the GSMA in developing their proposal; this support may include a field visit to the applicant to conduct due diligence on the project.</p> <p>Due diligence assessment of all shortlisted applicants with particular focus on Governance and Controls, Ability to Deliver, Financial Management and Management of suppliers.</p>
<b>Stage 3 Fund Panel</b>	<b>September 2020</b>	<p>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 September 2020. The Fund Panel is expected to select 15 to 20 grantees to the portfolio.</p>
<b>Stage 4 Contracting</b>	<b>End of September – early December 2020</b>	<p>If successfully awarded a grant by the panel, applicants will be invited to contracting stage to determine the terms of the grant agreement. The GSMA will work with applicants to build a schedule of incremental fund payments. These payments are dependent on the grantee delivering proof that the mutually agreed milestones have been achieved.</p> <p>Successful applicants will be required to produce unqualified audited financial accounts as a condition for funding.</p>
<b>Stage 5 Project Launch</b>	<b>January 2021</b>	<p>Successful grantees will begin project implementation.</p>



## OTHER

A 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/MobileInternetAdoption](http://www.gsma.com/MobileInternetAdoption)

Contact us: [GSMAIF@gsma.com](mailto:GSMAIF@gsma.com)