1 INTRODUCTION

Fund Purpose

The GSMA Connected Society programme works with the mobile industry and key stakeholders to increase access to and adoption of the mobile internet, focusing on under-served population groups in developing markets.

The Connected Society Innovation Fund ('the Fund') aims to support innovative mobile internet connectivity solutions for unconnected rural communities. Funded projects will pilot-test innovations that overcome the barriers currently preventing mobile network operators (MNOs) from deploying mobile internet coverage in rural areas. They will also demonstrate commercially sustainable models that can be scaled and/or replicated in similar environments.

The Fund should be viewed in the context of the wider support provided by MNOs to facilitate user adoption and digital inclusion more broadly in these areas. This includes marketing and distribution of network services as well as digital literacy training to support new customers' uptake of data services at the new site locations.

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

Fund Structure

The GSMA has secured partnerships with MNOs in Ghana and Uganda and identified specific rural areas that lack mobile internet but have sufficient economic potential. Applicants to the Fund will deploy sites in these pre-defined areas to provide mobile internet coverage for one or more of these operators. Funded projects are expected to provide turnkey solutions including equipment, provision, deployment and operation. It is likely that such solutions will be delivered through consortia of providers. One organisation will assume overall responsibility for contracting with the GSMA and the MNO partner. Assets will be transferred to the MNO partner after the sites are built.

The Fund will give preference to:
• Solutions that minimise the Total Cost of Ownership (TCO) per person covered with mobile internet
• Solutions that provide new innovations suited for more remote and challenging rural environments (e.g.. low population density, difficult terrain, limited infrastructure)
• Solutions that support user-adoption and the uptake of mobile internet in the target sites

Please see section 6 for more specific selection criteria.

2 ECONOMIC CHALLENGES

Mobile internet connectivity brings a wide range of social and economic benefits by helping to promote digital inclusion and supporting the delivery of essential services and key development objectives such as poverty eradication, healthcare, education, financial services and gender equality. For these and other reasons, the UN's Sustainable Development Goals SDG 9.C considers connectivity as a key target to enhanced development.

The digital divide is highest in Sub-Saharan Africa, with half the mobile subscribers not yet on the internet at the end of 2017 and marked disparities between urban and rural populations, the young and mature, women and men.

The lack of mobile internet coverage in rural areas is the consequence of an economic challenge: deploying infrastructure in remote areas can be twice as expensive as in urban areas, while revenue opportunities can be just a fraction. This combination deeply affects the business case for MNOs to get a return on investment when they deploy infrastructure.

The challenge is not only to bring mobile internet coverage to rural areas, but to do so in a commercially sustainable manner. This is particularly the case for more remote and challenging rural sites. According to GSMA's research, achieving commercially sustainable connectivity requires:
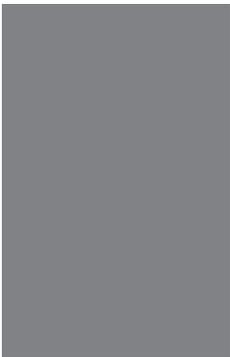
- Lowering the CAPEX and OPEX of cell sites and infrastructure overall, thus increasing the Return on Investment (RoI) of individual sites;
- Decreasing the risks of investing in mobile infrastructure and the associated operational costs of running new sites (i.e. decrease cost of capital); and
- Enhancing demand for mobile services, therefore unlocking revenue opportunities that improve profitability and attractiveness of these investments.

Balancing the supply and demand equilibrium requires improved planning methodologies, innovative and less expensive technical solutions, as well as collaborative implementation models to support adoption of digital services.

3 FOCUS AREAS
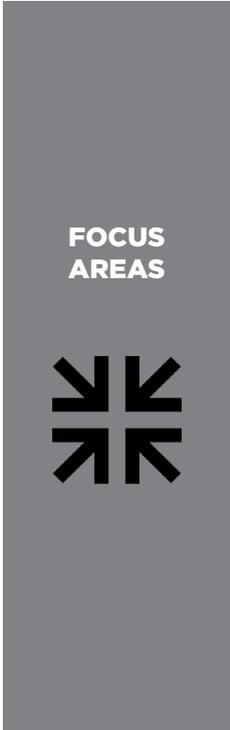
The Fund aims to support commercially sustainable and scalable connectivity solutions that are innovative in at least one, and ideally as many as possible, of the following areas:

Radio access network	Utilize innovative and rural-proof base-station technologies to reduce CAPEX for radio access
Power	1. Decrease power consumption per site 2. Minimize Capital Expenditure (CAPEX) and Operating Expenditure (OPEX) using renewable energy sources 3. Energy related complementary business models
Backhaul network	1. Optimise OPEX and CAPEX backhaul costs for remote and ultra-remote locations 2. Optimise network design to reduce overall backhaul costs and improve performance
Rural passive infrastructure	1. Minimise total Operation & Maintenance (O&M) costs and complexity 2. Minimise installation costs and delays and improve Time To Market (TTM) compared to traditional site builds
Business model	1. Innovative business models to increase the commercial viability of locations 2. Demand-enhancing features

4 GEOGRAPHY
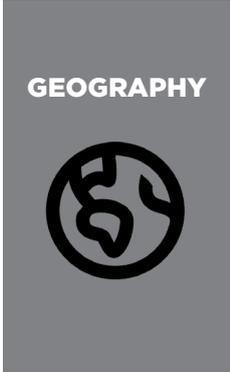
The Fund is open to eligible global or national companies who can deploy solutions in Ghana or Uganda. The GSMA has worked with the selected partner MNOs in these countries to identify target coverage areas using advanced mapping and population identification technologies. More information about these areas will be provided to eligible applicants in the detailed proposal application stage.

The target areas include different degrees of population density and remoteness. The GSMA is looking to use this Fund to create innovative solutions for some of the most challenging and hard to reach sites. As such, applications that can offer solutions for these sites will be favoured.

5 APPLICANT ELIGIBILITY
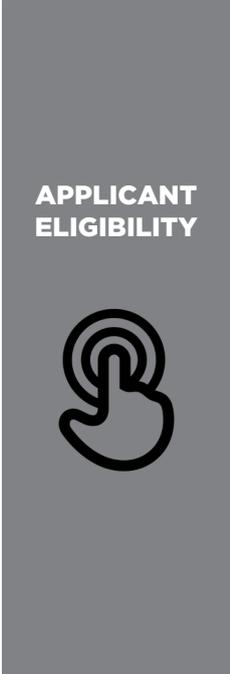
We anticipate that solutions will likely involve consortia of different providers, which may include: individual vendors, satellite operators, integrators, start-ups, academic institutions and others (to be clarified in application). In this case, one member of the consortium will be the lead or primary applicant who will sign the contract with the GSMA and the MNO partner(s).

The primary applicant must meet the following eligibility criteria:

General criteria
- Be able to operate in country (-ies) targeted including deployment of personnel
- Be in satisfactory financial health and have adequate financial systems to report regularly to the Fund and, if required, undergo an external audit
- Be able to provide information about other partners in the consortium (if relevant) and evidence of an established collaboration or agreement by proposal stage
- Be compliant with fundamental human rights, the UK Modern Slavery Act and Gender Equality Act, Child Protection Policies (here) and international labour standards, the NIST Cybersecurity Framework, in particular section 3.3, and report of the US FCC Cybersecurity Risk Management and Best Practices Working Group – and ensure that any partners in the consortium are compliant with the same
- Be compliant with the GSMA Supplier Partner Code and DFID's Supply Partner Code – and ensure that any partners in the consortium can demonstrate the same

- Not be prohibited from working or contracting with any licensed MNO in Ghana or Uganda – and ensure that this is the case for all partners in the consortium, if relevant
- Be willing to sign a non-disclosure agreement (NDA) to access MNO-specific Statement of Requirement (SOR)
- Be willing to enter into a contract with the partner MNO for the country of project implementation during the contracting phase.
- Be able to clearly articulate why the support from the GSMA is needed and what it would enable.

Relevant experience/track record
- Have already successfully launched a product or service that has active users/beneficiaries in at least one market; applicants must show proof of concept and provide comprehensive details of prior piloting and progress to date.
- Have adequate internal human resource capability in the target market(s) to implement the proposed project within the proposed timeframe.
- Have an awareness of the local economic and environmental challenges when deploying new network coverage in deep rural areas of countries in sub Saharan Africa.
- Be aware of the costs of importing equipment to the specific market and target locations within that market.

SELECTION CRITERIA

Each application will be evaluated and scored against the following criteria:

Technical Specifications
The Fund is seeking suppliers who can provide turnkey solutions including equipment provision, deployment and operation. This turnkey or "coverage as a service" solution will be interconnected with the partner MNO's core network. It should therefore be fully interoperable with the common core network providers. Below is an indicative list of the components and minimal specifications required:

Rural passive infrastructure	Mast or tower that requires minimal excavation and civil works but provides sufficient reliability to endure local climate conditions. Site fence and other security and maintenance provision to protect the equipment.
Power	Grid power is expected to be unavailable or unreliable in the areas selected for the pilot. Use of renewable energy sources is highly recommended. Each location must be dimensioned according to the supplier solution's power consumption requirements. The location autonomy must be of a minimum of 24 hours. The use of diesel generators is highly discouraged.
Backhaul Network	Provide sufficient capacity to transport the traffic from the site until the core network of the partner operator.
Radio Access Network	The base station should provide 2G service for voice and SMS. Network performance will be part of the criteria, and mobile internet-capable solutions will be required as part of the proposal. The solution should also provide all the other elements such as BSC, RNC, Gateways, among others, which are required to interconnect with the common core network vendors used by mobile operators. The hardware and software architecture of the RAN should be suited and preferably optimized to operate in rural conditions.

Each application will be evaluated and scored against the following criteria:

Innovation
- Demonstrate what is innovative about the proposed solution, referring to the five key focus areas outlined in section 3.
- Demonstrate how the proposed solution differs from or improves on existing solutions.

Social & Economic Impact
- Demonstrate the need for this support to deliver connectivity solutions with selected MNO partners.
- Demonstrate anticipated impact and potential for scale. Note: While there is no maximum CAPEX or OPEX for each site, solutions that minimize the Total Cost of Ownership (TCO) per person covered will be strongly preferred, as long as they have potential for scalability. Hence, applicants should demonstrate that the solution can be sustainable and that it offers lower TCO than current solutions.
- Demonstrate how the solution is tailored to the needs of the community and users for which it is designed.

- Demonstrate how the solution may be adapted to broader communities or areas.
- Any activities that support user-adoption (not mandatory for this Fund but applications that support user-adoption will be favoured).

<u>Execution Capacity</u>
- Demonstrate capacity of management team to implement the grant (adequate internal resources/capacity) – at headquarters and in country.
- Demonstrate understanding of the country/regional context and culture where the project is proposing to operate.
- Demonstrate pilot feasibility within the timeframe (section 9).
- Ability to provide service warranty and the ability to supply replacement and relevant upgrade equipment or software for 6 months after the pilot phase.
- Demonstrate operational sustainability in the market beyond this project.

7 — DATES & PROCESSES

STAGE 1 Expression of Interest (EOI)	03 - 21 October 2018	Lead applicant completes an online Expression of Interest form. Expressions of Interest will be evaluated immediately following the close of the submission window on 21 October and eligible applicants will be invited to proceed to the proposal stage.
STAGE 2 Proposal Application	29 October – 2 December 2018	Eligible applicants will be asked to complete a detailed proposal application by 2 December. Applicants will receive the technical requirements to integrate to the specific MNO partner network, as well as the pre-defined target areas provided by the GSMA. Applicants should design their solution in line with this information. The GSMA will host a webinar early during the proposal application submission period to provide guidance on the application process.
STAGE 3 Due Diligence	October – December 2018	Applicants will be required to submit relevant financial and organisational information at EOI stage and, following proposal submission, to participate in a due diligence process, including interviews via video conference and/or an in-person visit.
STAGE 4 Fund Panel	Late January 2019	An independent panel made up of C-level industry experts as well as the primary donor ('Fund Panel') will appraise proposals based on the submitted material as well as recommendations from the GSMA and the Fund Manager. Successful grantees will be notified in early February 2019. The Fund Panel is expected to select up to 4 grantees to the portfolio, with a combined total portfolio value of £900,000.
STAGE 5 Contracting	February – end March 2019	If successfully awarded a grant by the Fund Panel, applicants will be invited to contracting stage. This will include negotiating contracting terms with the GSMA for the grant from the Fund, as well as contracting with the MNO partner relevant to your application. The GSMA will work with applicant 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.
STAGE 6 Build solution	April – September 2019	The Fund expects to make the first grant payments in April 2019. The solution should be built, live and running by end September 2019 when the asset will be transferred to the MNO partner in the project country.
STAGE 7 Pilot solution	October – March 2020	The solution should be piloted by the grantee for six months between October 2019 and March 2020. During this time, the grantee will be required to support performance reporting back to the MNO partner & the GSMA. 20% of the grant will be held back until March 2020 and disbursed when all agreed milestones are met.

8 — GRANT PERIOD

The total grant period will be 12 months, from April 2019 to end March 2020.

9	**SUPPORT PACKAGE**	The support package will include: • Grant funding of up to £300,000. The Fund will not take any equity against the funding; it will however control the monetary usage of the grant and only disburse funding based on milestones achievements. Incremental fund payments will be dependent on the grantee(s) delivering proof that mutually agreed upon targets have been achieved. • The funding requires 30 % matched funding (see section 10) • A list of potential pilot locations which have been pre-selected using advanced mapping and population identification technologies and agreed with participating mobile operator partners; • Pre-determined partnership with a mobile operator in each of the Fund's focus countries; • Support with facilitating peer learning and networking opportunities amongst all grantees; • Introductions to other stakeholders in new markets where appropriate; and • Enhanced visibility through the Connected Society programme's insight publications and learnings that are widely disseminated to private, public, and third sector stakeholders.

10 — MATCHING CONTRIBUTIONS

The Fund requires a matching contribution from applicants in order to demonstrate buy-in and commitment from the applicants. Acceptance of match funding is subject to approval by the Fund:

• All applicants must provide a matching contribution of at least 30% of the amount requested (i.e. if an organisation is requesting a grant of £200,000 from the Fund, a contribution of at least £60,000 from other sources is required).
• Matching contributions can be made 'in cash' and/or 'in kind.'
• Evidence of matching contributions must be provided to GSMA upon submission of a full proposal.

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 firms, impact investors, mobile operators, or other grant funds.	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
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 partner (providing the equivalent monetary value of the service).	May include: • Salaries or staff costs of consortium partners • Consortium partner or third party marketing and digital literacy activities • Use of goods, services, facilities (such as software) • Provision and access to equipment and existing infrastructure (e.g. satellite backhaul)

11 — COMMITMENTS FROM SUCCESSFUL APPLICANTS

If selected, as part of the pilot, the applicants must be committed to:
1. Spectrum: compliant with the spectrum used and emission guidelines for the local country
2. Integration: manage the technical integration of the solution into core network and systems (e.g. billing, management, BSS/OSS) in line with MNO technical standards
3. Deployment: have the team in place to manage the deployment of the solution (E.g.: conduct sites survey, build sites) in collaboration with the MNO partner and responsible for the ongoing OPEX for the duration of the pilot. Transfer ownership of the sites to the MNO partner (network equipment and related assets used in the solution) as they are commissioned
4. Commercialization: ensure the effective operation of the sites (e.g. good QoS, no power shortage) for maximizing MNO's commercial initiatives and compliant with regulatory KPI's
5. Monitoring & Evaluation: monitor and report on performance of the sites, collect and share project data against agreed KPIs, share lessons learned, and evaluate potential to scale
6. Post-pilot: Provide service warranty and maintenance on equipment for six months after the end of the pilot

In addition, the applicants must be committed to:
• Sharing project data with the GSMA Connected Society programme and the Fund Manager.
• Adhering to the monitoring and evaluation plan they submit in their full proposal, including tracking certain indicators for the duration of the pilot.
• Participating in lessons learned and experience sharing activities for internal and public audiences, including all related case study and evaluation reports.
• Travelling to GSMA or other key events and project workshops where relevant. Part of the funding given shall be allocated to specifically cover these travel expenses.
• Participating in DFID or other donors' annual review process.
• Providing demonstration material of the product or service funded by the GSMA (expenses can be covered).

| 12 | FUND MANAGER | The Connected Society Fund Manager is Coffey International Ltd. The Fund Manager plays a managerial and advisory role, executing decisions on behalf of the Fund. They are the managing organisation responsible for fund mechanisms, financial management, transparency, accountability and for reporting on impact and learnings. Additionally, the Fund Manager is responsible for Fund compliance including financial, legal and ethical considerations. |
| 13 | CONTACT DETAILS | **CSfundmanager@gsma.com** |