

Mobile Enabled
Community Services

MECS Innovation Fund

Pakistan/Afghanistan
August 20, 2013

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Introducing the GSMA and Mobile For Development

- The GSMA represents the interests of mobile operators worldwide.
- Our members span more than 220 countries and we unite nearly 800 of the world's mobile operators

Mobile for Development

- GSMA Mobile for Development brings together our mobile operator members, the wider mobile industry and the development community to drive commercial mobile services for underserved people in emerging markets
- We identify opportunities for social, economic and environmental impact and stimulate the development of scalable, life-enhancing mobile services

Agenda

- Introduction to the GSMA MECS Programme
- Introduction to the Innovation Fund
- Project eligibility
- Application process and timeline
- Q&A


Mobile is the predominant
infrastructure in emerging markets


There are over 500 Million off-grid mobile connections

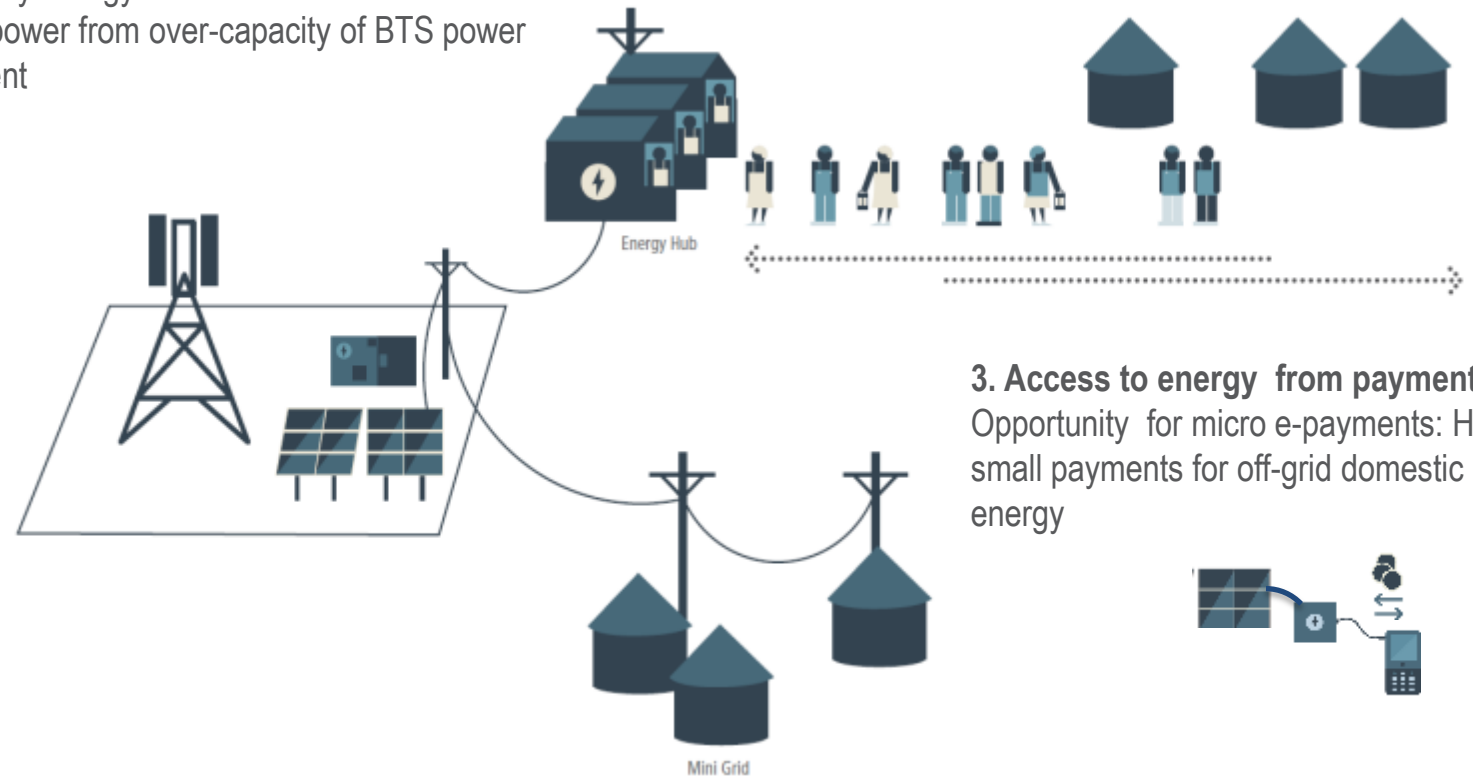

400 Million people have access to the mobile network before they have access to electricity


165 Million people have access to the mobile network before they have access to clean water

Mobile can provide energy access through three channels

1. Access to energy from BTS infrastructure
(i) Outsource power solution to ESCO who sells community energy services or
(ii) Sell power from over-capacity of BTS power equipment

2. Access to energy from retail distribution network
Leveraging extensive rural sales dealer/ retail network for distribution or sale of charging/ lighting devices through commercial partnerships



3. Access to energy from payment technology
Opportunity for micro e-payments: High volumes of small payments for off-grid domestic & small business energy

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Channel 1: Leveraging presence of mobile infrastructure to support Energy Access

Mobile infrastructure can support energy access initiatives:

- Inside the fence: Leveraging existing power equipment to provide services to the community
- Outside the fence: 3rd party energy service companies can use the mobile tower as an anchor customer and provide services to the community

Example: OMC Power in India and Bharti Infratel

24/7 Power to tower



Leases product to customers



Home delivery



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Channel 2: Leveraging distribution channels to support Energy Access

Sales and distribution channels can support energy access initiatives:

- Providing customer's phone charging services at retail outlets providing revenue opportunities for retail entrepreneur
- Partnering with product companies for co-promotion and distribution

Example: Fenix International and MTN Uganda





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Channel 3: Leveraging mobile money and e-payments to support Energy Access

Micropayments can support energy access initiatives:

- Allows for flexibility of payments and remote transaction
- Providing consumer financing to customers
- Other services can leverage business model (i.e. water)

Example:
M-Kopa and Safaricom



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Mobile for Water Access: Pay-as-you-go access to water

Sarvajal uses a Rural Franchising model where they recruit local entrepreneurs to sell water to communities from Piramal Water-owned filtration equipment.

- Franchisees pay an upfront fee that represents a fraction of the capital cost of the filtration unit
- Revenues are shared 60:40 between the Franchisee and Sarvajal
- A Controller tracks all of the water produced by their Franchisees. Every filtration unit sends Sarvajal SMSs to keep track of use and status: On/off, low/high pressure, possible leaks
- Customers get 24-7 access to clean water using their pre-pay cards (or coins), and can recharge their cards using their mobile phones – just like buying minutes

Example: Sarvajal



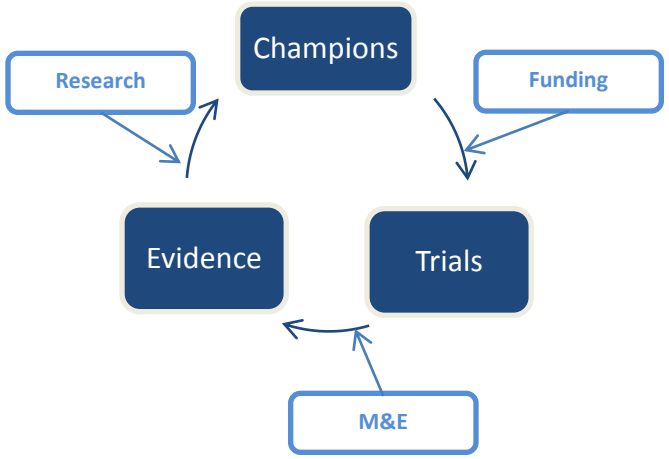


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GSMA process of catalysing commercial solutions



Virtuous Cycle of Market Facilitation



MECS focusses on market facilitation to deliver the evidence, champions and trials required to drive solutions to the next phase of maturity.

Key Elements In the process of commercialisation:

Evidence: The data required to push Champions to action
Champions: Mobile operators, tower companies, ESCOs who commit to test a potentially scalable MECS product or service
Trials: Experiment, pilot, or commercial roll-out of MECS Product or Service

Research, innovation funding and monitoring and evaluation provide additional inputs and lower the barriers to industry wide adoption.

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The GSMA Mobile Enabled Community Services (MECS) programme uses mobile technology and infrastructure to improve access to basic energy and water services

Focus Areas:

- Advisory services to mobile operators
- Deploying £2.4M fund to support innovation and trials (minimum of 9 grants)
- Research & knowledge sharing:
  - Case Studies
  - Working Groups
  - Primary Research

Funding & Timeframe:

- £4.1M in funding (including £2.4M grant fund) from DFID's Climate & Environment Team to be deployed in 2013-2014

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Mobile Enabled Community Services

UKaid
from the British people

- Partner: UK Government
- The programme seeks to address the following questions:
  - What **types of mobile technologies** can support community services?
  - For a solution to be **adopted at scale** what building blocks would be needed?
  - What is the **social and commercial impact** of delivering community services to underserved mobile subscribers?

MECS Innovation Fund objectives

- **Accelerate efforts** using mobile technology to enable improved or increased access to water or energy services for underserved communities
- **Identify innovative business models** that can support mobile innovations for energy and water services
- **Generate knowledge** about the application of mobile enabled services which can be shared with the development community and mobile industry
- **Stimulate productive partnerships** between mobile operators/tower companies and energy provides, water providers, NGOs, entrepreneurs and academics to achieve these objectives at scale

Expected outcomes

MECS Innovation Fund

- At least 9 new technologies/models using mobile to support energy and water service provision for underserved communities
- Reach 270,000 people
- Best practices and lessons for applying mobile technology to service delivery and building blocks for scaling

Of an individual grant project

- Design and launch of a commercially sustainable product or service that increases or improves access to water or energy for underserved communities
- Generation of evidence of the social and economic value of the offering
- Generation of insights into best practices for serving underserved communities

Two concurrent grant streams

Innovation Fund

	Seed Grants	Market Validation Grants
Primary objective	• To support R&D of early stage innovations using mobile to support access to sustainable energy and water provision	• To support promising business models that support improved access to energy and water services at scale
Target Applicant	• Early Innovators	• Mobile Operator/Tower Company in partnership with service provider
Grant value	• Up to £200,000	• Up to £350,000
Matching funds required	• Yes, 25% of total project cost	• Yes, 50% of total project cost
Total # of grants possible	• Minimum 5, subject to cap of £1 million	• Minimum 4, subject to cap of £1.4 million
Duration	• Up to 1 year	• Up to 1 year

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Innovation Fund General Eligibility Requirements

	General Requirements
Geography	Open to global applicants, priority to • Sub-Saharan Africa • South and Southeast Asia
Sector	• Access to energy and water services through technology and reach of mobile industry
Organisation	• Registered and operating in country of project implementation • In satisfactory financial health • Have internal capability to implement project applying an innovative model for service delivery • Have internal capacity to implement project within agreed timeframe • Demonstrated knowledge or experience working with underserved communities

	General Requirements
Use of funds	• Project management, research, content development, hardware, and measuring results • May be used towards professional fees and salaries of consultants
Data and knowledge sharing	• Commit to sharing data and insights arising from project (Commercial data will be treated as confidential) • Participate in programme's performance monitoring system • Participate in peer sharing via Working Groups and other forums

Innovation Fund: Seed Grant Eligibility Requirements

Organisation

- Individual
  - NGOs, small entrepreneurs and academic organisations
  - mobile operators and tower companies
  - public and private service providers
- Or consortium of above with
  - MOU (at application stage)
  - Documented, clear division of responsibilities between members
  - Statement of mutual commitment

Project

- Implement research and development of early stage innovations using mobile technology to support sustainable energy and/or water provision
- Use mobile communications channel as a significant element of delivery model
- Involve innovative model that demonstrates potential to improve or increase access to energy and water, on a sustainable basis
- Preference will be given to projects that provide equitable access to underserved women
- Not be easily supported by commercial sources of finance
- Funding provided by the Fund utilised within one year lifecycle of Fund

Innovation Fund: Market Validation Grant Eligibility Requirements

Organisation

- Partnership or consortium between mobile network operator that is a member of the GSMA or tower company and community service providers (ESCO or WSP)
- In case of consortium
  - MOU (at application stage)
  - Documented, clear division of responsibilities between members
  - Statement of mutual commitment

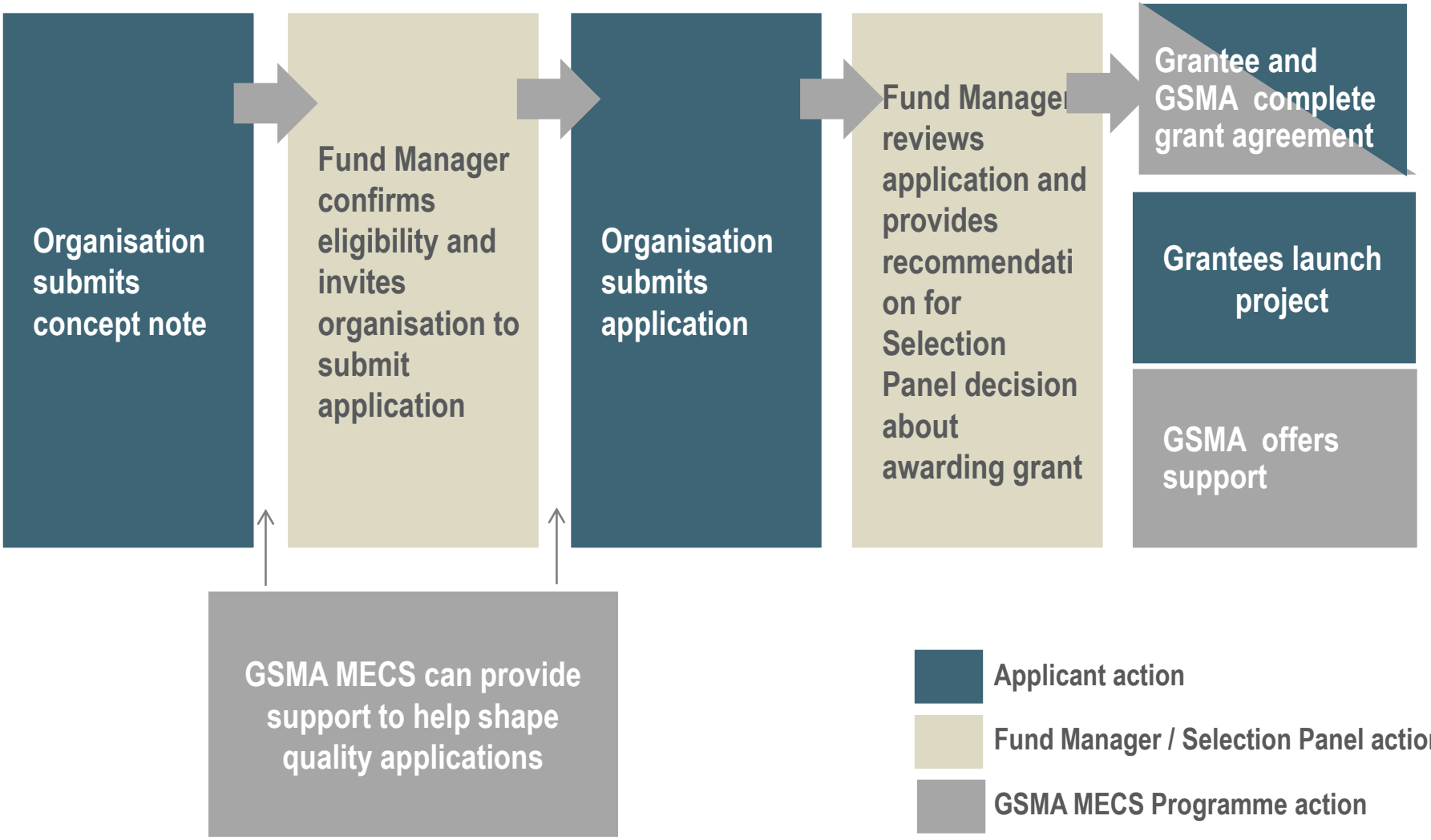
Project

- Use mobile communications channel as significant element of its delivery model
- Result directly in increased or improved access to energy or water services for underserved communities
- Commercially sustainable business model for provision of water or energy access that will be sustainable after period of grant funding
- Preference will be given to projects that provide equitable access to underserved women
- Have a means of forecasting extent of outreach (number of underserved able to access the service), and level and frequency of use
- Not be easily supported by commercial sources of finance
- Funding provided by the Fund will be utilised within the one year lifecycle of the Fund
- Priority will be given to those projects which are the most likely to be replicable at scale

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The GSMA MECS Innovation Fund Grants process



Further detail on concept notes and applications

	Objectives	Components	Evaluation criteria
1. Concept note	• Provide high-level view of the concrete project	• 3-page concept note	• Fulfilment of eligibility criteria • Alignment to Innovation Fund objectives • Likelihood of meeting application selection criteria
2. Application	• Fully develop and articulate the concept and project	• Application form • Project work plan • Budget • KPIs and performance monitoring approach • CVs of Management Team	Additional evaluation criteria: • Quality of the concept & implementation plan • Adequate capacity/resources • Potential to inform sector • Value-add of GSMA funding • Likelihood of scalability and replicability

Who's who in the Innovation Fund

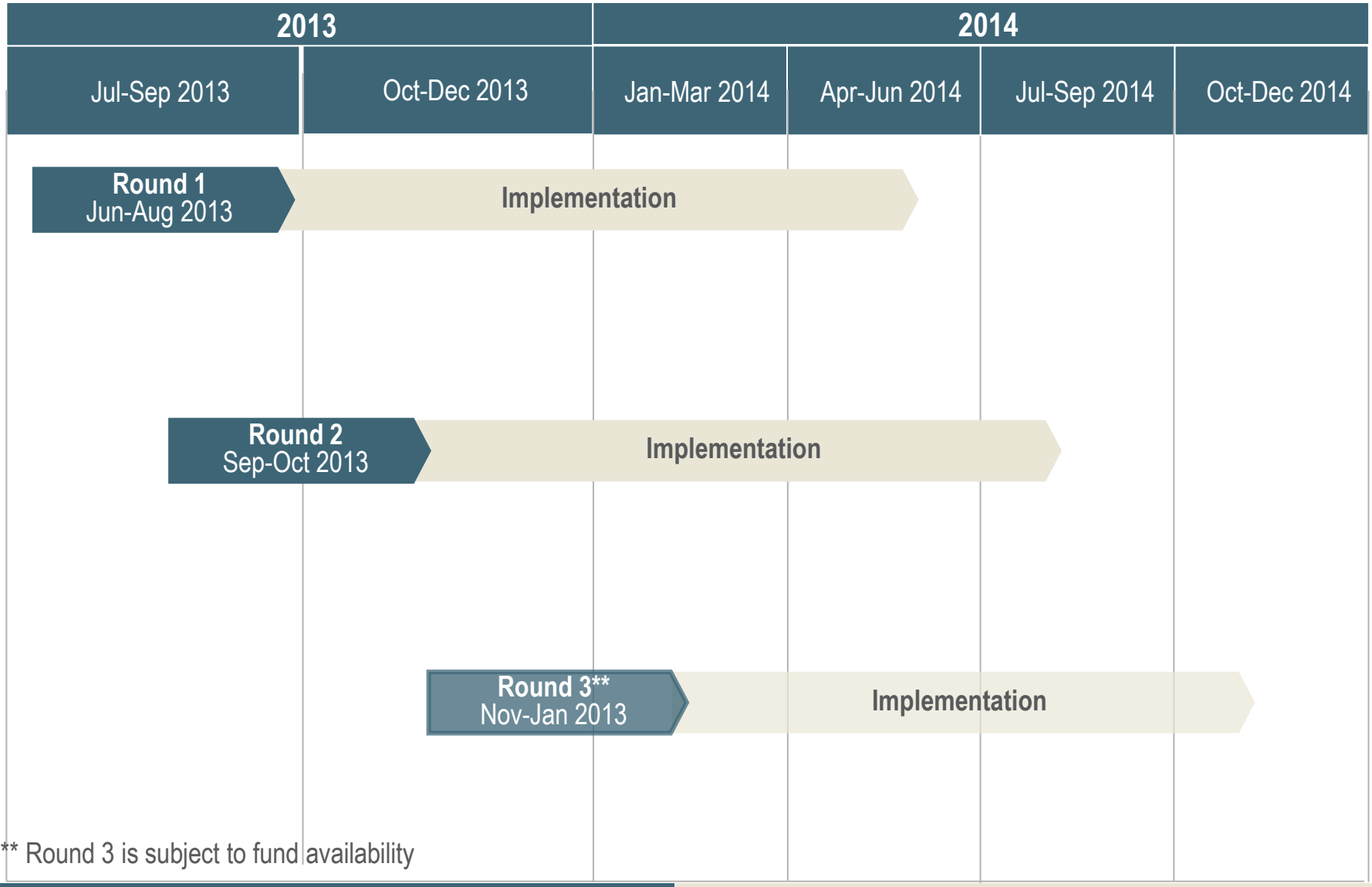
Independent Selection Panel	• Evaluates applications and awards grants based on selection criteria • Comprising diverse subject matter experts
Fund Manager: Coffey International	• Reviews concept notes to determine eligibility and alignment with Innovation Fund objectives • Supports the Selection Panel by evaluating applications according to selection criteria • Once a grant is awarded, works with grantees to ensure compliance with the grant agreement terms and project plans

GSMA MECS team	• Provides various types and levels of support at each step
	  • Feedback on concept note ideas
	  • Can provide support during application development
	  • Ongoing support and advice throughout implementation

TENTATIVE Timeline for second round of grants

Concept notes due	Sunday, 8th September 2013
Invitations to submit applications	Friday, 20th September 2013
Applications due	Sunday, 20th October 2013
Awards announced	Mid-November 2013
Grant agreements signed	Early December 2013

Current plans for full set of Innovation Fund grants



** Round 3 is subject to fund availability

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For more information:

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http://gsma.com/mobilefordevelopment/programmes/mobile-enabled-community-services