

Mobile Enabled Community Services

Annual Asia Working Group
June 24th and 25th

Agenda

Mobile Enabled Community Services

Day 1 (half day):

- Predicting the Future of Mobile-Enabled Community Services
- Break-Out Session: Building a mobile-enabled Service
- Networking & Dinner

Day 2:

- Roles of and partnerships with Mobile Operators
- Product and Service Innovation – Water
- Mobile Money and Bill Pay
- To M2M or not to M2M
- Insights from Investors
- Break-Out Session: Sector challenges in developing mobile-enabled businesses

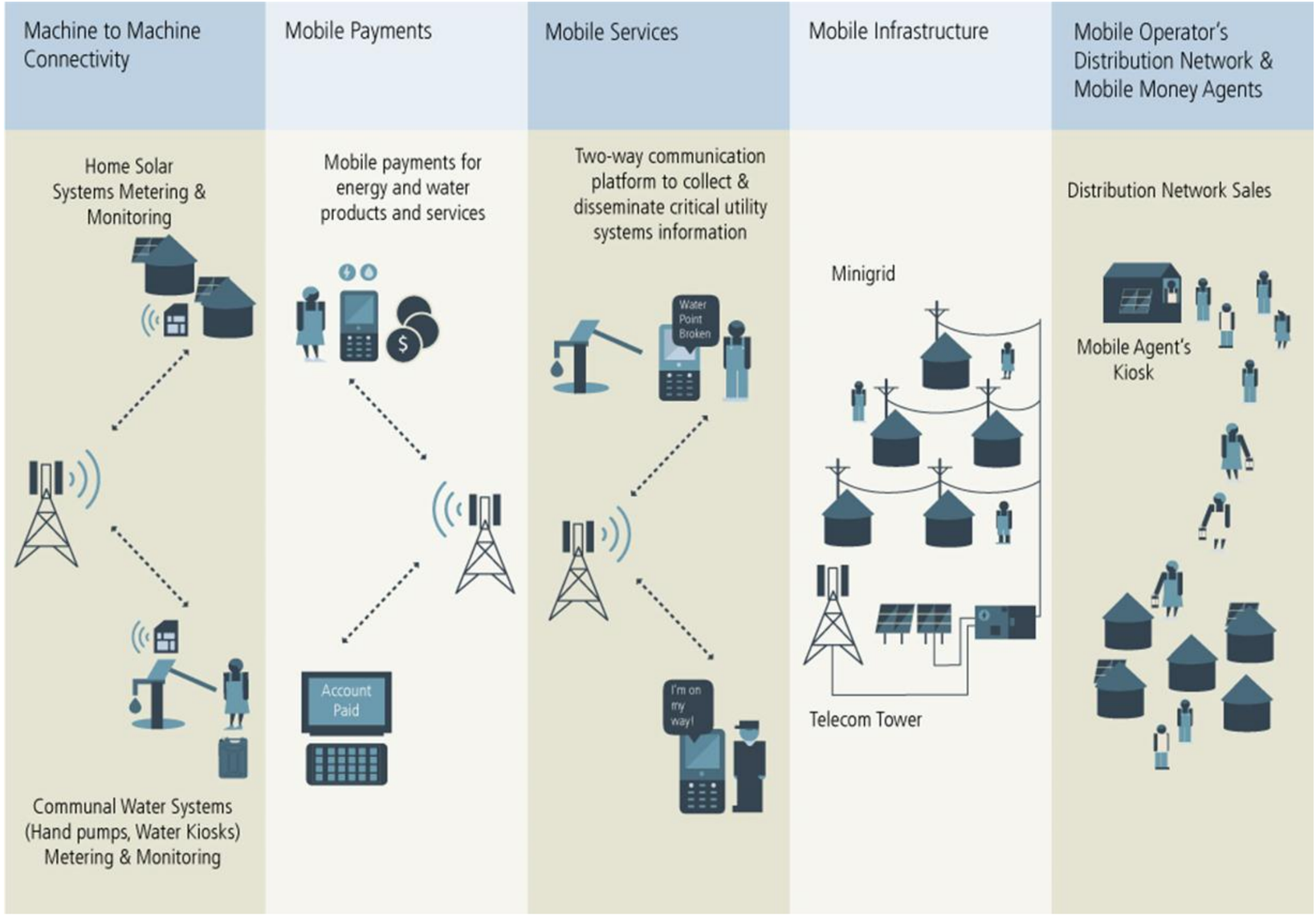


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Day 1 overview and Day 2 Plan

Accelerating the MECS ecosystem

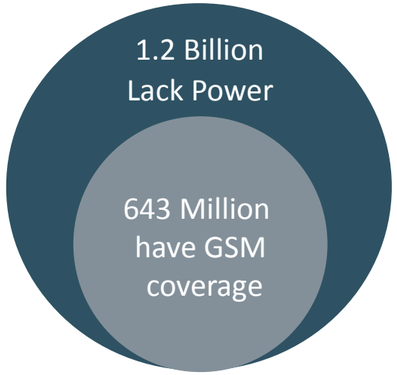
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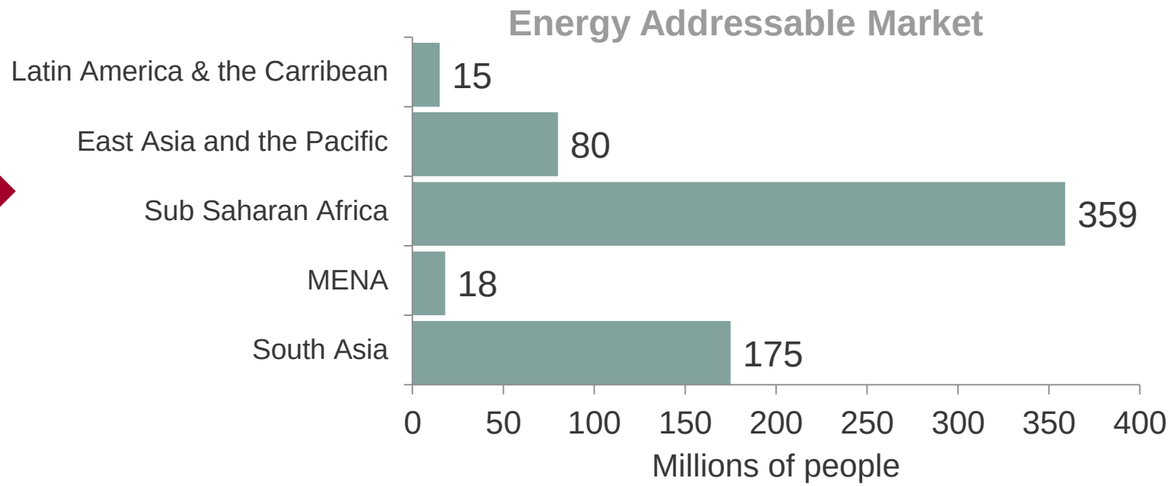


The size of the opportunity

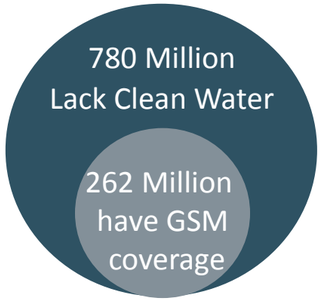
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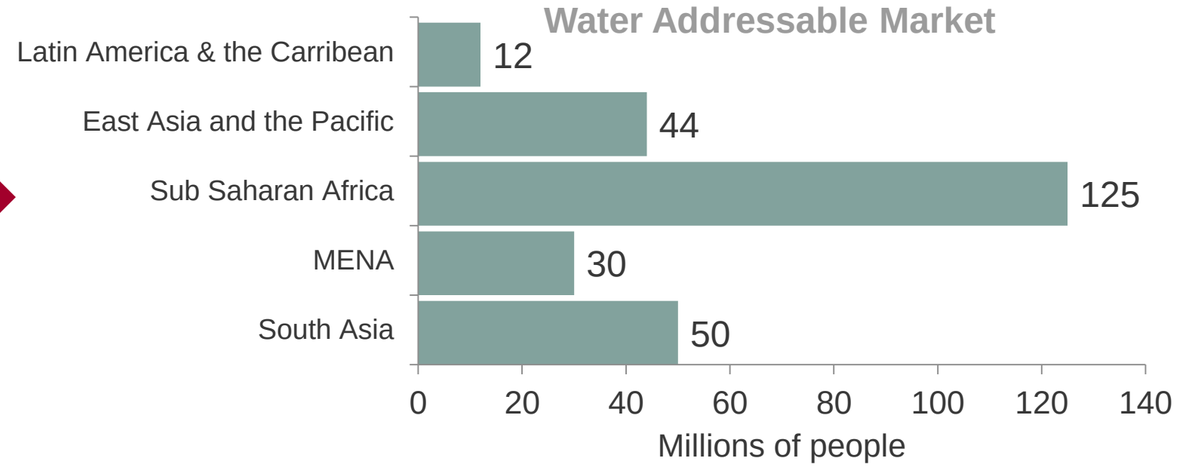
Energy





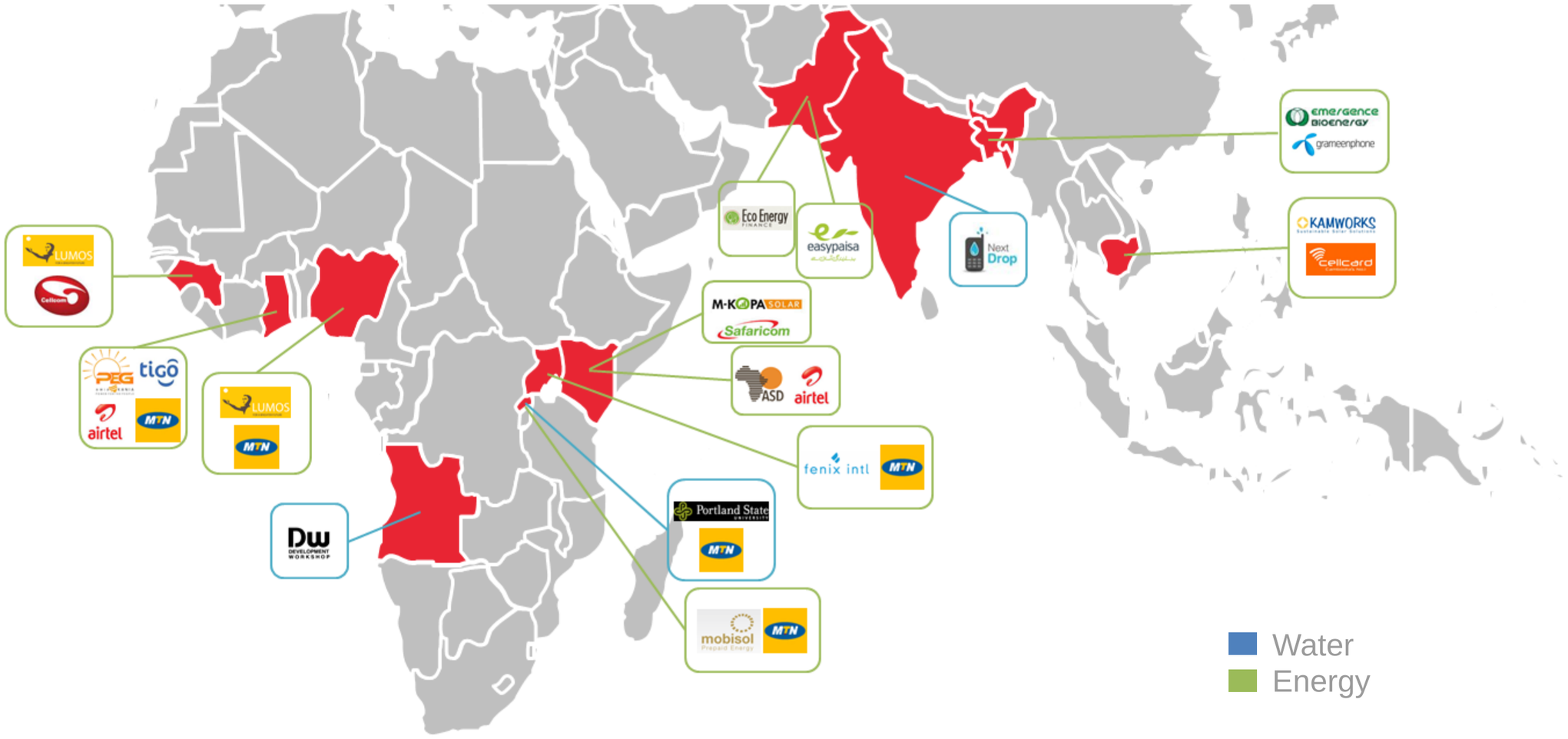
Water





MECS Grantees

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Key Trends

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- Africa dominates in terms of activity
- Energy leads water in the adoption of mobile
- Mobile Services were the most predominant mobile channel
- Mobile will impact underserved communities from rural to urban settings
- Pay-As-You-Go financial flexibility is popular
- Mobile payment options have become very popular
- Insights into Lead Organisation…
- Partnerships with mobile operators span a spectrum of engagement



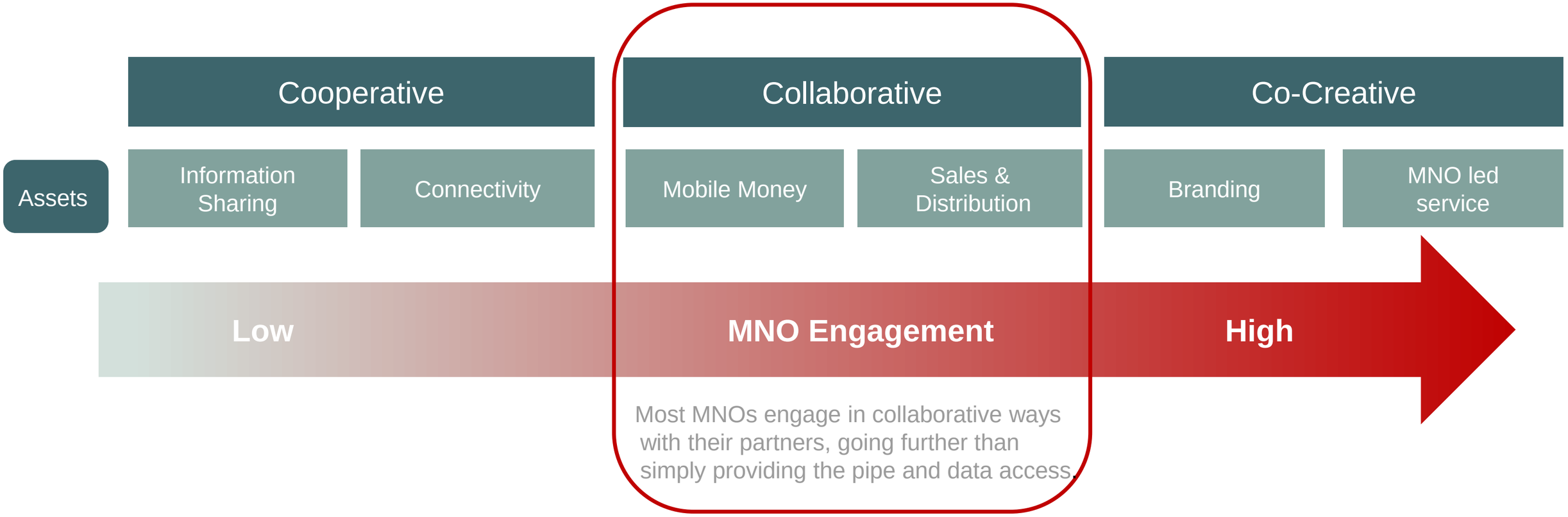
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Developing Partnerships with Mobile Operators

MNO Engagement Spectrum

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We reviewed the 25 MECS Innovation Fund applications, which included MNOs as partners or lead applicants, as well as their detailed partnership plans. This analysis allowed us to build a spectrum of MNO engagement when partnering with third party providers.



Developing Partnerships with Mobile Operators

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Panellists:

- Bilal Ali Qureshi, Executive Strategy, Telenor Pakistan
- Firas Ahmad, Managing Director, Emergence BioEnergy

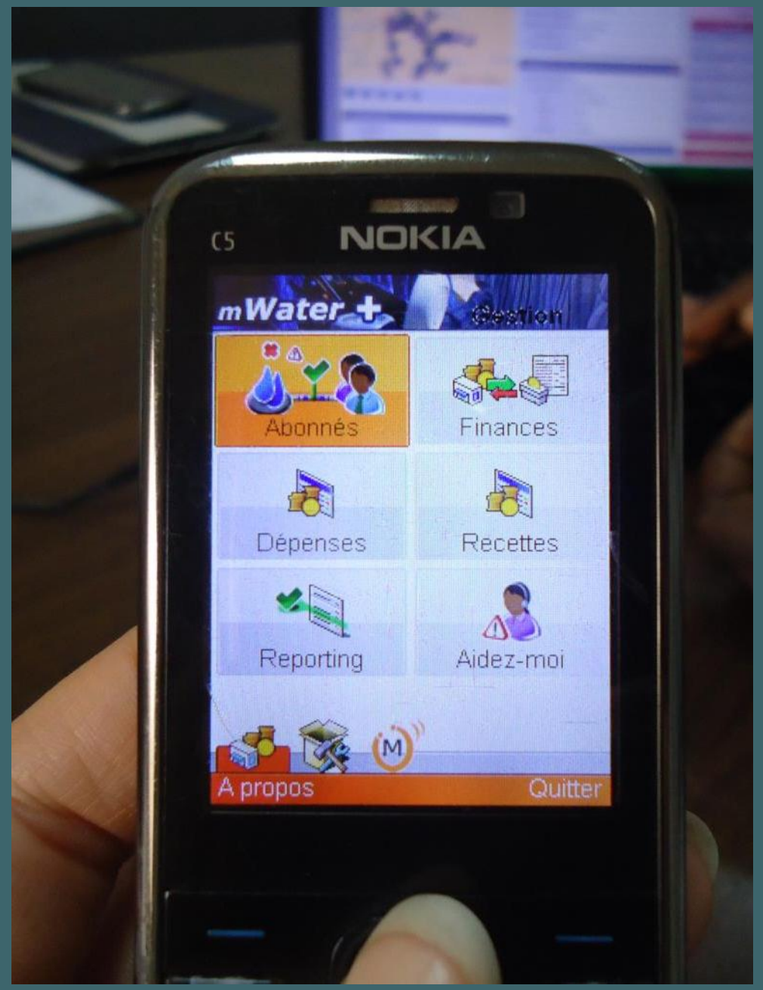
Developing Partnerships with Mobile Operators

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Moderator Questions:

- What is needed to help operators form more partnerships with innovators and start-ups?
- What are some of the challenges of these partnerships?
- How interested do you think operators are to develop these partners and what additional evidence do you think is needed to drive these?

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Water: Product and Service Innovation Stories

Water Service Challenges

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~91% of the population in South East Asia has access to improved water (only~30% has access to improved water through piped networks)

As of 2010, Asia and the Pacific is the second least urbanized region of the world, with only 43% of the population living in urban areas; however, it has the second fastest urban population growth rate, at an average of 2.0% per annum (2005-2010)

- Poor Level of Service: quality, hours, accessibility

→Opportunity to monitor operations more efficiently

- Low cost recovery: Billing and Payment (Non Water Revenue in Eastern Jakarta ~39%)

→Opportunity for mobile billing, payment and savings

- Many stakeholders: gaps in accountability

→Opportunity to share service information

Yet, Limited evidence and institutionalisation/scaling remain a barrier

Innovation: Process and Learnings

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Context Driven Solutions:

- Understanding the need/demand
- Innovation Development Process
- Refining and Financial Sustainability

Moderator Questions:

- What was your organisation’s biggest lesson learnt from this process?
- What advice would you give to others as they develop their products and services?
- What do you think are the biggest hurdles facing this industry and what should the role of the GSMA and other market facilitators be?

Water: Product and Service Innovation

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Panellists:

- Nishesh Mehta, Vice President & Co-founder, NextDrop
- Martin Albrecht, Water and Sanitation Specialist, The World Bank



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Coffee Break



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Mobile Money and Bill Pay

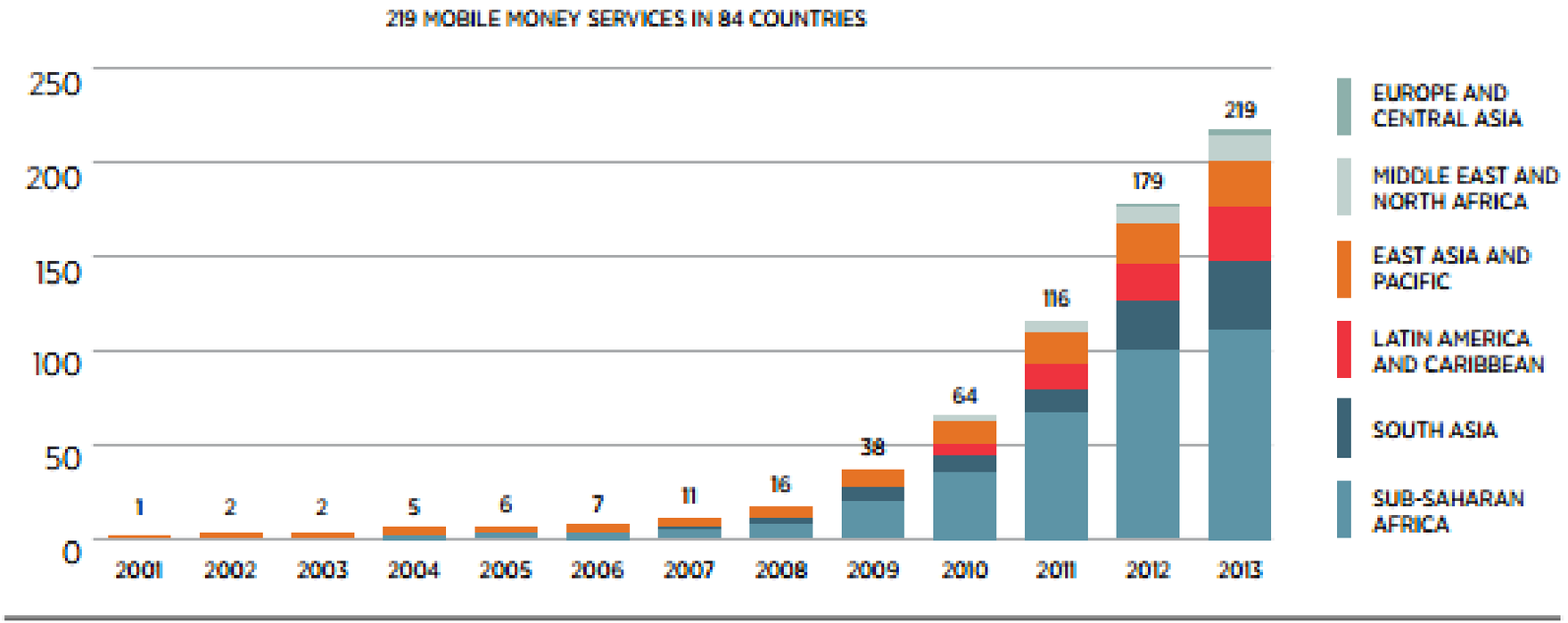
Mobile payment currencies

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Choices of Mobile Currencies:

- Mobile money
- Airtime

Growth of the Mobile Money Services Around the World – 2001 to 2013

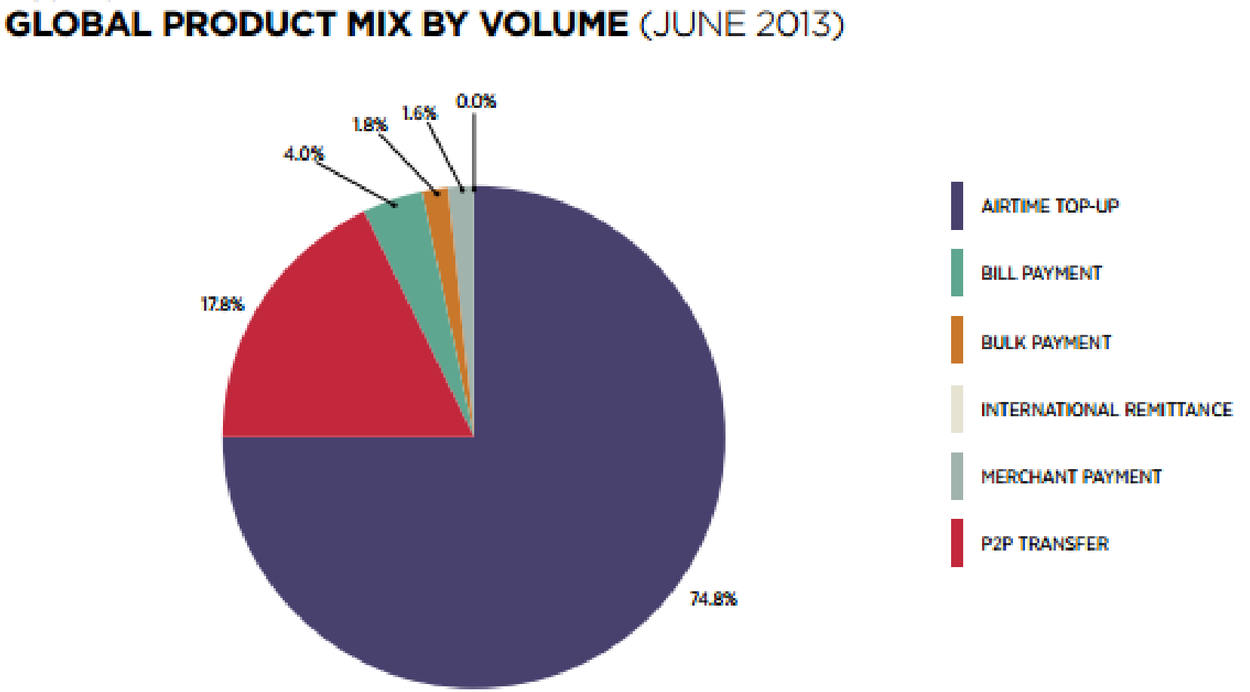


42. http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2014/02/SOTIR_2013.pdf

Mobile Money Services

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- **Mobile Bill Pay**: Payment of a utility or other bill using your mobile money account
- **Person to person transfer**: Send money
- **Buying Airtime**: Topping up airtime for recharging a GSM account through a mobile money account.
- **Merchant Payment**: Payment for good or services at a store using a mobile money account
- **Bulk payment**: One-to-many transfers such as salary disbursal is a bulk payment



Mobile Money Bill Payment Options

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There are three options for third party providers to integrate bill payment services:

- **Pre-set bill payments** are the most basic mobile payment model whereby the third party service provider receives a bill payment ID from the MNO which he can then communicate back to his customers.

- **Customised billing services** requires a higher level of integration between the MNO and the third party service provider. This option allows for more in-depth customisation and sharing of information between the third party provider and the MNO.

- **Shared APIs** are still in their early days as MNOs are exploring the practicalities of offering this model.

There are benefits and challenges to each of those models, in terms notably of ease of integration and security levels.

Mobile Money and Bill Pay

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Panellists:

- Benoit LaCroix, Manager – Innovative Solar Products, Kamworks Limited
- Michael Joyce, Policy Advisor, TNP2K
- Neil Davidson, CEO, Coda Payments



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Lunch



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To M2M or not to M2M

Setting the scene

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Machine to Machine (M2M) refers to technologies that allow both wireless and wired systems to communicate with other devices of the same type

M2M facilitates:

- Remote monitoring and data collection
- Remote control→ sending commands to devices
- Gathering detailed data to support customer insights and analytics

M2M considerations:

- Cost of integrating the embedded SIM & developing a database
- Network coverage is not present in all areas
- Over-engineered solution?

To M2M or not to M2M

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Panellists:

- Nishesh Mehta, Vice President & Co-founder, Next Drop
- Alex Hornstein, Founder, Tiny Pipes
- Jeremy Higgs, Operations Director, Eco Energy Finance

To M2M or not to M2M

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Moderator Questions:

- What have been the challenges of integrating M2M? Or using another technical solution?
- If you were to launch your service anew, would you use the same technology solution? Why or why not?



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Insights from Investors

Challenges for a Young Industry

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1. Availability of the right type of capital

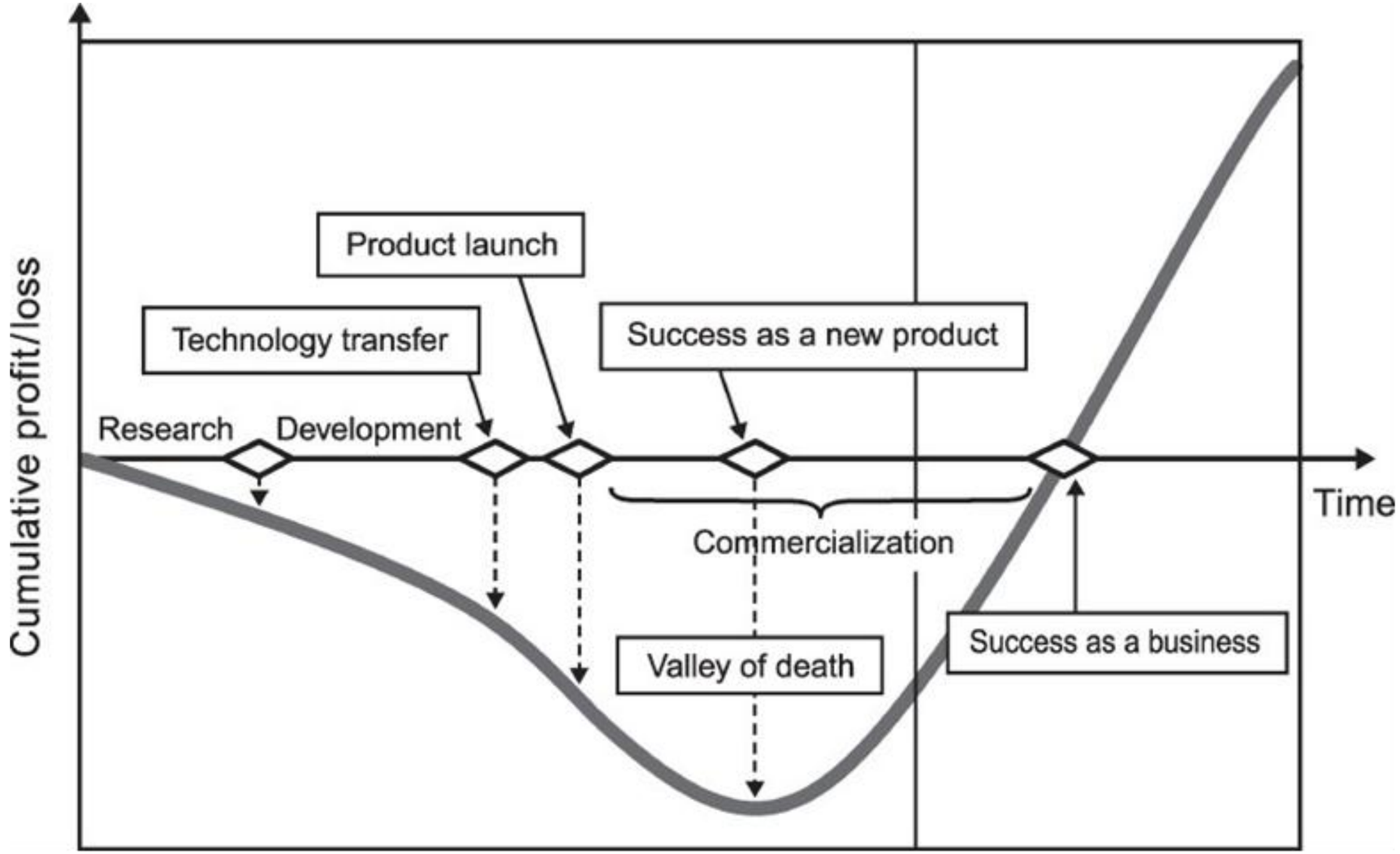
2. Capital affordability

3. Awareness of players who can finance

- New business models
- Emerging markets
- Low income customers

Challenges for a Young Industry

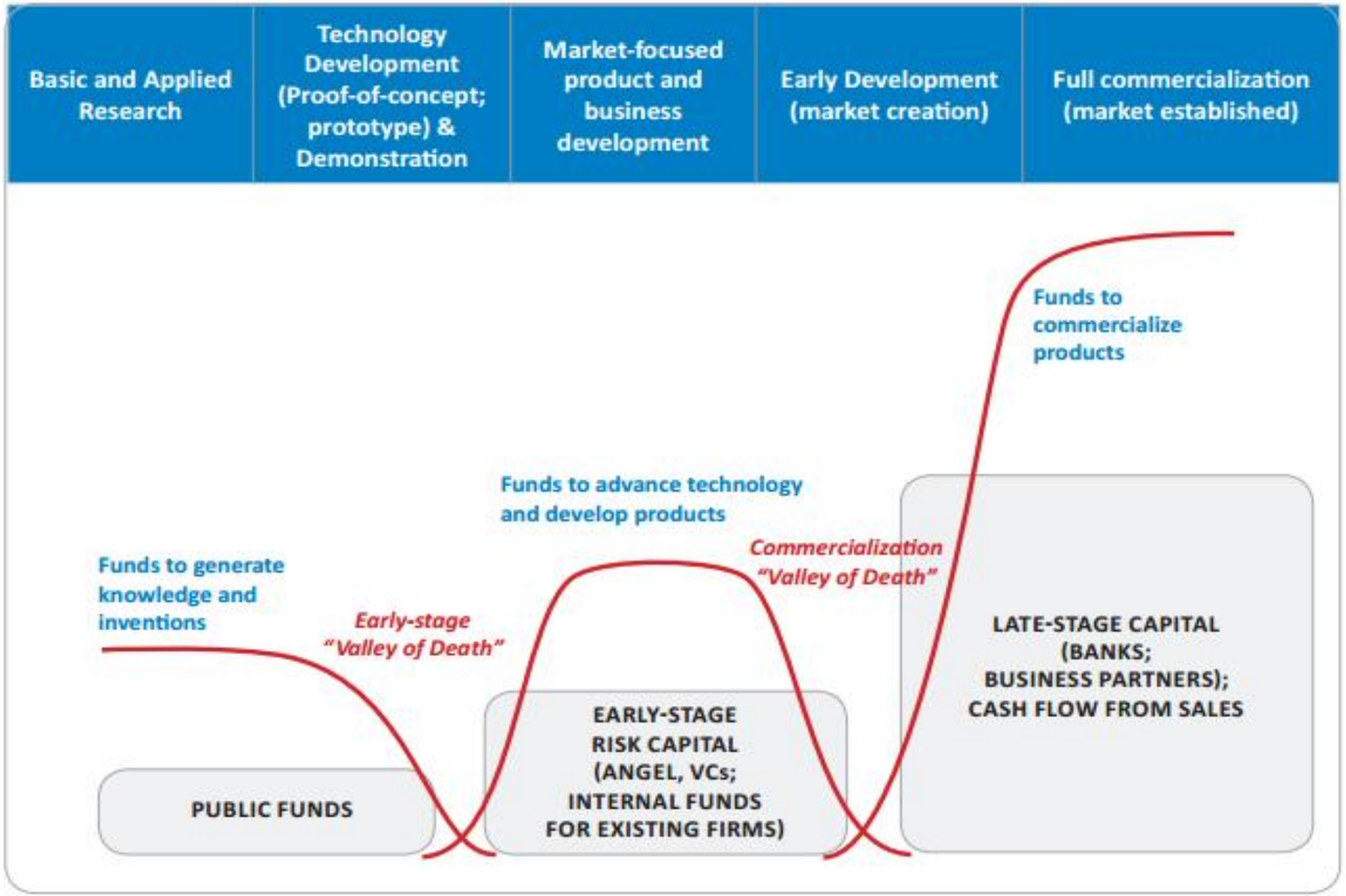
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Challenges for a Young Industry

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Figure 1.1: 'Valleys of death' in innovation stages



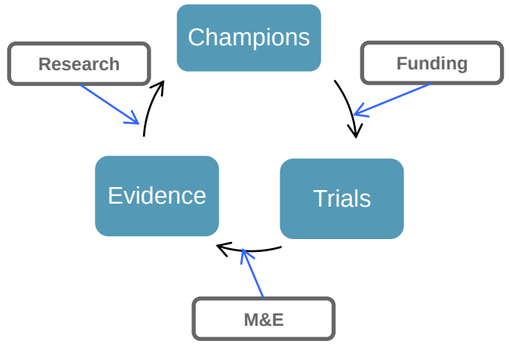
Source: Ambuj Sagar

Deal Flow Remains A Challenge

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- **Various Types of Challenges**
  - Water sector heavily grant funded
  - Energy services attracting larger size or commercial debt

- **GSMA's Market Development Activities:**
  - Link expectations of investors & fund raising businesses
  - Develop networks
  - Better present investment opportunities – models + data



Insights from Stone Family Foundation

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10 lessons from funding market-based approaches in water, sanitation and hygiene

- There are no silver bullets in Wash: need to support a range of solutions
- WASH is more than toilets and taps: beyond technology
- We need to build demand by understanding what customers want
- Households are often able to pay for WASH, but this can be easily undermined
- We need innovative financing solutions to support willingness to pay
- Still nascent
- Lack of high risk capital is holding the WASH sector back
- Need to resist the temptation to scale too fast
- The sector is under-funded, and philanthropic funds are limited by precious resouce
- WASH is not a sector for quick wins

Insights from Investors

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Moderator Questions:

- What do you see as the biggest barrier to making strong investments?
- How do you see the investments in this sector changing or developing in the next year or two?

Insights from Investors

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Panellists:

- Charles Navarro, Access to Energy Specialist, ADB
- Adi Sudewa, Senior Investment Manager, Aavishkaar Frontier Fund