

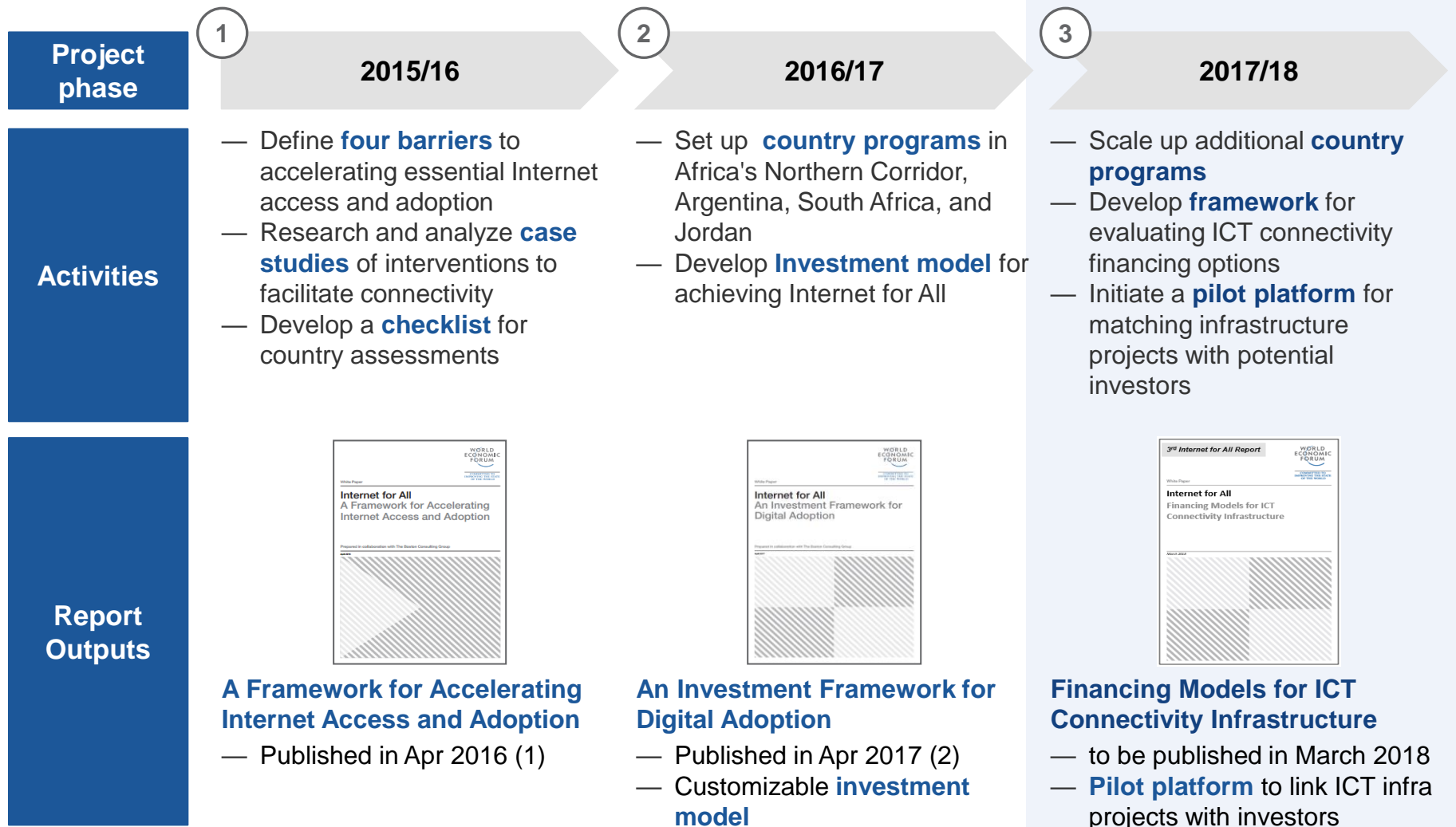
Internet for All

Platform for Financing ICT Connectivity
Infrastructure

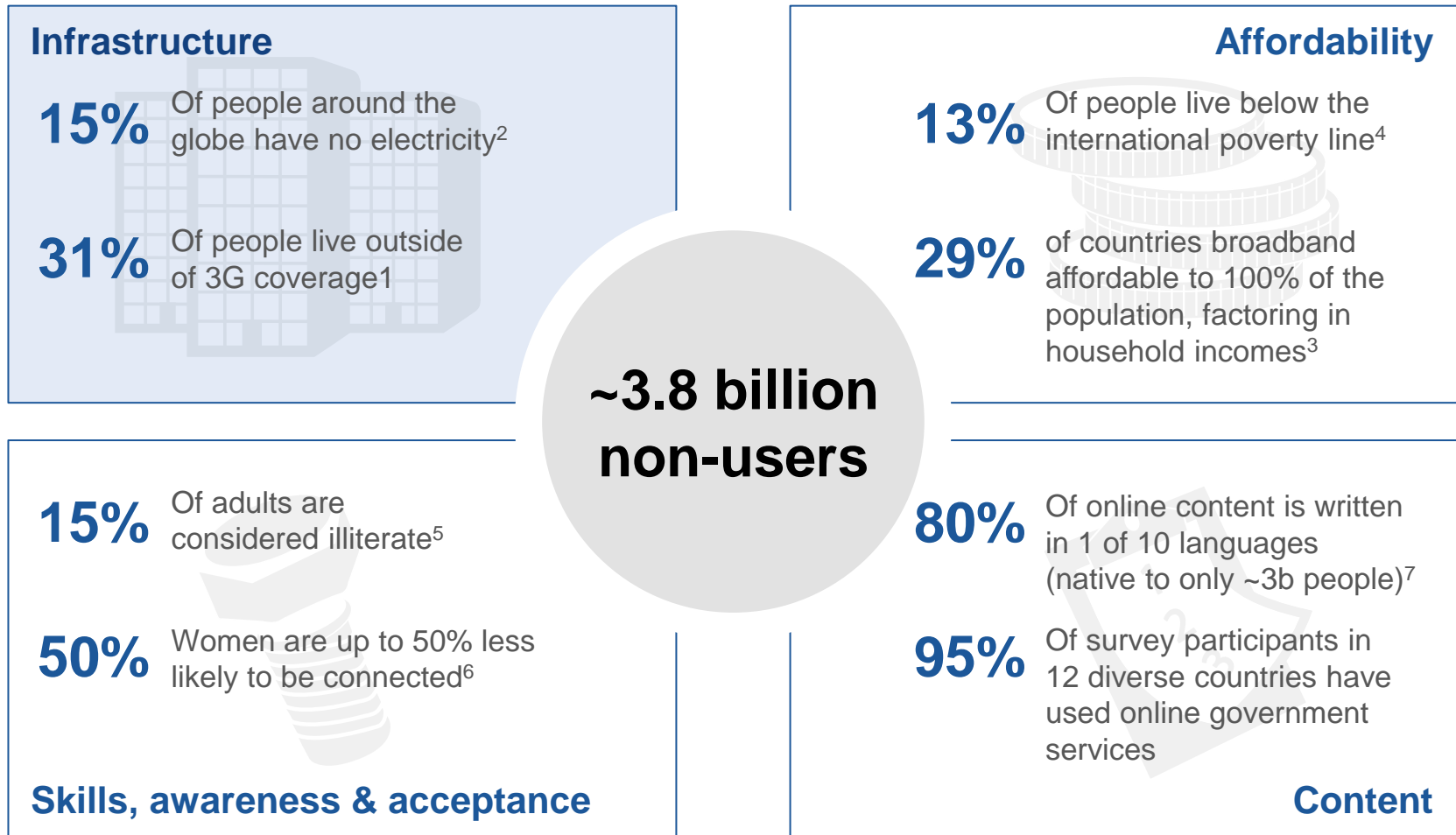
March 2018



The Internet for All project catalyzes & accelerates new models of public-private collaboration to increase internet access worldwide



Four principal barriers hinder universal internet access



Most recently available figures used: 1. ITU, 2015 estimate; 2. World Bank, 2012; 3. The Broadband Commission, State of Broadband Report, 2015; 4. World Bank, 2015 (2012 data); 5. Adults UNESCO, 2015; 6. Controlling for education level and household income, World Wide Web Foundation, 2015 ; 7. World Bank, 2014; 8. BCG, 2014
Source: World Bank; ITU; Katz & Callorda; UNESCO; World Wide Web Foundation; BCG

ICT infrastructure continues to face a serious financing challenge

Project size

*"We would like to invest in last-mile connectivity, but unfortunately those projects tend to be small, and **any project <\$10 million isn't worth our time.**"*

Project obscurity

*"With no centralized project pipeline, it's **hard for me to find projects to invest in.**"*

*"After passing on a potential investment, I'd like to be able to **give it to another firm.**"*

Information asymmetry

*"Some projects are surely good prospects, but they are **too hard to diligence** – I wish there were an easy way for me to learn more about a project's basic characteristics."*

Risk smoothing

*"If rural ICT infrastructure projects could be **bundled and securitized**, my firm would be willing to invest in them. We also don't feel we have adequate risk insurance coverage."*

Partnership challenges

*"My firm would like to take a blended finance approach, but we **lack the ability to meaningfully connect with major government and/or development bank partners.**"*



Our evolving platform approach would connect investors with potential investments...



Pipeline of projects

Projects uploaded to platform by project owners or investors

Projects segmented on characteristics...

- Project size / type
- Geography
- Risk classification

...And potentially bundled with other projects to allow for larger investments & reduced risk exposure



Network of financiers

Financiers categorized on characteristics, e.g.

- Type of financing
- Min/max investment
- Risk tolerance
- Preference for project features (e.g. geography, impact)
- Ability to co-invest or pool resources

Participation "at will"

- No obligation to share deal flow or invest in projects



Forum for discussion

Platform facilitates sharing of information and deal discussion

- Benchmarks & basic documentation shared by project
- Investors discuss viewpoints on projects, project owners
- Opportunities for co-investment, or investment via a pooled resource fund, are explored



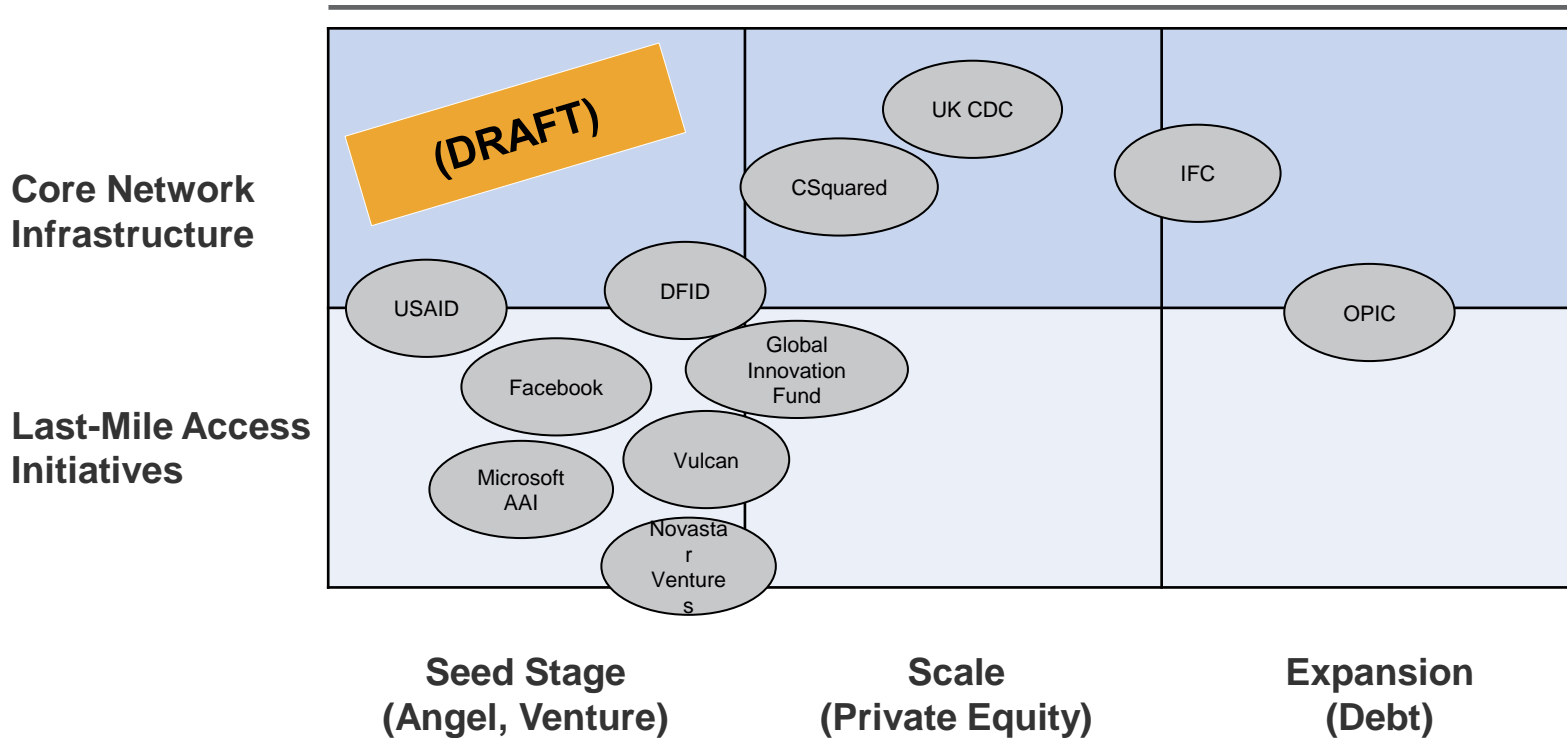
Platform to bridge the gap

Projects and financiers matched based on their characteristics

- Matches can be made for individual projects or for tranches of a portfolio comprising multiple risk-diversified projects
- Matches can be made with individual investors or teams of investors

...And develop a comprehensive picture of financing options

Current Investment Sources (illustrative of funds, donors, corporates, etc.)



Accompanying database will list fund characteristics (fund size; investment size; capital type; geographic focus; related investments) and completed deals

Example under development: A “blended finance” micro-finance fund for last mile connectivity



Smaller average disbursement

"Micro" loans and grants allow smaller projects to compete for funds in an industry that has historically preferred large projects



Impartial governance

An **outside entity** would run the fund, ensuring fair and unbiased fund administration and equal opportunity for fund applicants



Technology agnostic

Projects of **all types** – from satellite connections to community wi-fi projects – would be encouraged to solicit apply for funding



Projects apply when ready

Standing source of funds encourages entrepreneur to develop business proposals, and allows projects time to prepare and apply

A “blended finance” structure would allow multiple capital providers (philanthropists, donors, industry players, investors) with different return objectives to participate

Path forward

Our aim is to have the platform operational by Fall 2018

Finalize Platform Structure (before end 2017)

- Solicit input on platform from financial partners and DFIs
- Define relationship with Sustainable Development Investment Partnership
- Articulate and align with partners on final platform structure

Platform operations

- Define platform management responsibilities with lead partners
- Align on operational cadence and meeting structure
- Build technical elements as required

Membership

- Build up core membership in target geography
- Agree on regional leads for deal sourcing
- Align on norms for deal sharing and participation

Deal flow

- With membership, determine criteria for deal inclusion
- Source initial roster of deals in target geography
- Hold first plenary call with membership

An initial platform is proposed with a focus on the SADC region in Africa

- **Development Bank of Southern Africa will serve as Project Preparation Lead**
- **South Africa Internet for All serve as initial platform for South Africa opportunities**