



MMU FUND: TERM SHEET

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| 1 | Name | Mobile Money for the Unbanked Fund (MMU Fund) |
| 2 | Aim and Objectives | <p>The overall purpose of the MMU Programme is to accelerate the speed, scale and sophistication with which mobile money (MM) services are developed and delivered to target customers (unbanked people living on under US\$2 per day).</p> <p>The objective of the MMU Fund is to contribute to:</p> <ol style="list-style-type: none"> 1. MM becoming considered mainstream business for mobile operators; 2. MM becoming extensively available to those who have been previously unbanked; and 3. MM extending the reach and reducing the costs for financial services such as savings, insurance, payments and credit to the target customers. <p>The MMU Fund will provide grants to support the development and delivery of MMU services that are affordable and accessible to target customers¹, and which are likely to result in considerable lesson learning and lesson sharing. Projects that advance cross platform working, interoperability and open access are particularly encouraged.</p> |
| 3 | Area of implementation | The geographic coverage of the MMU Fund is throughout developing and transitional countries worldwide. The initiative will be directed largely by demand and is expected to include projects in: Africa, Asia, and Latin America. |
| 4 | Sector/Industry Focus | The MMU Fund is targeted at Mobile Network Operators (MNOs), and others who work with MNOs in the provision of financial services. |
| 5 | Launch date | February 2009. |
| 6 | Type of funding available | Quick response grants for innovative ⁱ and eligible projects. Funding decisions are made by an independent assessment Panel. |
| 7 | Size of grants available | The MMU Fund seeks to award grants of US\$250,000 each ² . |
| 8 | MMU Fund and applicants contributions | Applicants are expected to contribute at least a minimum of 25% of total project costs in cash and in kind ³ . Applications where the contribution exceeds 25% may be considered more attractive than those where the applicant's contribution is fixed at 25%. |
| 9 | Application procedures | <p>Applications for pilot MMU Fund funding will be assessed through a single stage application process lasting (on average) no longer than 60 days in total.</p> <p>Application</p> <p>The application process involves submission of a simple Application form which will outline the key aspects of the proposed project and applicant and demonstrate that they satisfy the eligibility criteria.</p> <p>The application is screened for the eligibility of the project and lead applicant. Only applications for eligible projects and from eligible organisations will be considered for funding by the Independent Assessment Panel.</p> <p>Eligible applications will be reviewed by the Panel, and successful applicants will be offered a grant award. All Applications will be appraised and approved or</p> |

¹ Although studies and pilot tests may form part of a project, the MMU Fund is not intended to support such activities directly.

² Grant applications above or below this amount will be considered subject to their specific merits.

³ As defined in the MMU Fund guidance note on applicant's contributions.

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| | | otherwise by an independent assessment Panel whose decision is final. |
| 10 | Projects eligible for funding | <p>Projects must meet the following eligibility criteria:</p> <ul style="list-style-type: none"> the project must involve providing MM services to unbanked customers living on under US\$2 per day; the MM service proposed must be innovative, market based and its development likely to be accelerated with the support of the MMU Fund; applicants must explain why the project cannot readily obtain commercial finance or other sources of finance (including internal corporate capital allocation); and funding provided by the MMUF must be utilised within the project timeframe of 2 years. |
| 11 | Entities eligible to apply | <p>The applicant (or the lead applicant in a consortium/partnership) must meet the following eligibility criteria:</p> <ul style="list-style-type: none"> be a Mobile Network Operator, and a member of the GSM Association; have corporate clearance to join the GSMA MMU Working Group, and be prepared to participate and share project results within this forum; and be prepared to share with the GSMA Working Group data that will be made anonymous and aggregated⁴. <p>Note: Business membership organisations and associations, financial services providers, other private companies and NGOs are eligible to apply for funding provided they are in a consortium/partnership led by a MNO.</p> |
| 12 | Appraisal Criteria for Applications | <p>Applications will be appraised by the Panel on the extent to which they satisfy the eligibility criteria. In addition, Applications will be evaluated on the extent to which they provide information on the following:</p> <ul style="list-style-type: none"> the extent to which the proposed services meet the needs of the target customers; how the project is likely to result in significant lesson learning and lesson sharing; the commercial viability of the product; why grant funding for the project will not create unfair advantage; that the project is cost effective and likely to result in a sustainable impact such as encouraging investment in MM services; management's commitment to adopt the initiative after it has demonstrated commercial viability; and the organisation has adequate internal capacity to implement and undertake the project within the agreed timeframe. |
| 13 | Pre-Contract | <p>Because the Application stage requires that applicants provide only summary information upon which the Panel can make an appraisal, successful applicants will be required to work with the Fund Manager (and, when relevant, with MMU Programme team members) to:</p> <ul style="list-style-type: none"> add to the information and data provided in the application; and provide supporting documentation, such as: project personnel CV's; statements of commitment from consortium members. |
| 14 | Fund Manager | Coffey International Development |
| 15 | Contact Details | mmufund@gsm.org |

⁴ Data that projects may be required to share include the following: number of mobile money subscribers; number of mobile money transactions; average and total value of mobile money transactions; frequency of mobile money transactions; type of mobile money transactions (such as deposit, withdrawal, send, credit); geographic location of subscribers (urban, rural); geographic location of transactions by type; estimated income of mobile money subscribers, using airtime usage as an indicator for income level; cost of mobile money transactions; cost of other formal and informal money transaction services; and change of all the above over time.

ⁱ Innovation is an essential component of MMU Fund projects. However, the concept is sometimes hard to define, and therefore difficult for bidders to address. The following guidelines are intended to help bidders understand how the issue of innovation will be assessed. The MMU Fund emphasises innovation in order to: focus its finite resources on new ways of providing new MM services, rather than replicating existing approaches; generate and pilot new ideas and new ways of working that increase access to MM services for the target customers; support projects that are pushing forward the frontier of knowledge in the area of MM services provision; and maximise the impact of MMU Fund supported projects by supporting imaginative projects that have good potential for replication. In the context of the MMU Fund innovation should involve one or more of; developing a MM service that is currently not available in the country of implementation; tailoring a MM service to meet the needs of groups that do not currently have access to such services (this must involve innovation in the service, rather than simply targeting an existing service at a particular group); and finding new ways to deliver MM services to groups that do not currently enjoy access to such services. Innovation in the service could involve providing a service that is not currently available in the country of implementation; adapting an existing service to meet the specific needs of a target market that does not currently have access to such products or services; developing new approaches and methodologies to offer MM services to groups that do not currently have access developing new technology to deliver MM services.