Project Proposal

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Partnership space for incubating telecommunications projects</th>
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<tbody>
<tr>
<td>Lead Organization:</td>
<td>Alcatel</td>
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<tr>
<td>Potential Partners:</td>
<td>Local developers of Services and Applications with know-how of the local users needs and expertise in software development</td>
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<tr>
<td>Primary Objective:</td>
<td>Develop services and applications that have high local added-value and will improve the usage patterns of the telecommunication infrastructure and the Internet within the ESCWA countries</td>
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<tr>
<td>Beneficiaries:</td>
<td>End-Users of telecommunication networks and the Internet within ESCWA countries and operators and Internet service providers</td>
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<td>Budget Estimate:</td>
<td>US$ 1 Million</td>
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<td>Potential Funding Agency:</td>
<td>Kuwait Fund for Arab Economic Development (KFAED), Islamic Development Bank (IDB),…</td>
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<tr>
<td>Starting Date:</td>
<td>First Quarter 2005</td>
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<td>Duration:</td>
<td>24 Months</td>
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Executive Summary

Aware of the importance of high local added value applications, Alcatel has launched the concept of “partnership centre”. The principle of partnership centre is based on Alcatel supplying a platform for developing innovative communication applications and services designed for mobile networks, but also suitable for Internet access providers. It is a true incubation center open to anyone with an idea for a telecommunications project. Alcatel provides developers with the logistical support they need to access the resources required to firm up their ideas for communication services.

To be relevant, such services must respond to local needs and meet the constraints imposed by the local environment. Partners are selected on the basis of their proposal based on a set of criteria, the most important of which are, in order of priority: the relevance of the innovative idea in terms of communication services, the credibility of the project as a whole, and the technical and methodological competences. Each partner is trained for a certain period in the use of the Alcatel platform and supported when implementing the main tasks of developing, integrating and testing the applications and services.

At the end of this period, the chosen partners will be certified by Alcatel, which will offer them closer collaboration. This might, for example, consist in designing joint product offerings for local communication network and service operators, or for export, or even for companies and government agencies. In all cases, the partners remain the owners of their ideas and responsible for the applications they have developed.

The project will be set up by Alcatel’s within the premises of its regional middle-east headquarters at the MCIT “Smart village” of Cairo and will be open to projects submitted by partners from all ESCWA countries.

The project will be launched with an initial phase of 2 years starting during the first quarter of 2005. The overall budget for the project is US$ 1000,000.

1. Objectives

The main objective of this project is to develop and enrich the portfolio of services and applications that can be delivered through the telecommunication networks and the Internet within the ESCWA countries.

Alcatel is seeking to assist local partners rooted in their respective countries and well aware of the population needs that have a technical know-how in the development of services and applications over an information technology platform.

The above objective is not only justified by the technical advances that make it possible (whereas no more than a decade ago the telecommunication infrastructure was devoted to a single service, namely, voice
communication) but also to the fact that such services and applications will **increase the network operators revenue** and **justify extensions of the telecom infrastructure and Internet access towards under-served areas**.

There exists a **fertile ground of local know-how** within the ESCWA countries regarding the development of services and applications leveraging on the telecom networks and the Internet as a way for a rapid and economic way to send and receive information. This project is seeking to **help local partners to materialize their projects and transform them into an industrial reality**. The result will be a **win-win situation** where **all stakeholders** will benefit from the large dissemination of such added-value services and applications, namely:

- **the concerned population** that will improve its access to education, health or government services and market data for their produces,…
- **the network operators** who will benefit from the increased traffic and associated revenue and improve their balance sheets
- **the service operators** who will benefit from the revenues they will get through the selling of their services thus improving their economic conditions and contributing to the development of a local technological know-how of their country, and, last but not least
- **the populations living in under-served areas** that will be better served by the operators due to the raised expectations of the latter regarding the revenue they could get from a larger portfolio of services; such services will be used, **even by the poorer**, because of their direct impact on the improvement of their daily lives.

### 2. Background and Justification

In the spirit of the MDG and its eight’s goal ("**in collaboration with the private sector, make available the benefit of new technologies - especially information and communication technologies**"), the UN convened a World Summit on Information Society (WSIS) with an agenda of "Bridging the Digital Divide".

Bridging the Digital Divide is a tremendous challenge that can only be overcome through a “mixture” of **technological innovation**, **international collaboration** and **innovative approaches**.

The WSIS Geneva declaration and plan of action of December 2003 have of course neither solved nor do they identified “the” solutions that will eventually bridge the digital divide. However they set up an agenda and a process for international collaboration under which the ESCWA regional plan of action and this project fits. It is expected that the second leg of the WSIS in November 2005 in Tunis will make an assessment of the **experiments that worked since Geneva** and set up the real agenda for bridging the digital divide in line with the MDG timeline of 2015.

This project is also part of **Alcatel’s Digital Bridge Initiative** that started in November 2001 two years before the first WSIS summit. This initiative is rooted in Alcatel’s belief bridging the digital divide is above all a **growth opportunity** for the 21st century and a win-win enabler as explained above.

Leaders in communication technology such as Alcatel have certainly a responsibility to play their role in bridging the digital divide. However, this issue must also be faced by the concerned countries themselves leveraging on their internal potential and better knowledge of their local conditions and needs. The ESCWA countries have a special chance to be the leaders among developing countries contribution to bridging the digital divide leveraging on their high human potential and economic means.

Therefore this project is a good illustration of international collaboration where a technological leader teams with local partners in an innovative approach to bridge the digital divide.

### 3. Project Description

The project will start with a **preliminary phase** – after its announcement and prior to the effective opening of the partnership centre – during which the technical platform for service and application development will be installed in Alcatel’s premises at the smart village in Cairo. In parallel to this activity a
A partnership form and a partnership charter (detailing Alcatel’s and the partner’s mutual rights and obligations) must be filled by each candidate partner. The committee will select projects in accordance with precise and public criteria related to the originality of the project idea, the partner capability to run the project and the partner technical capabilities. Projects that are not accepted only due to lack of available centre capacity will be delayed taking into account that the centre is only meant to be used by a given partner during a limited period of time (3 to 6 months) notwithstanding the fact that the relationship between Alcatel and a given partner may last longer than the latter’s period of use of the centre facilities (see below).

Once the centre is open it will host partner projects that will follow three main phases:

- the development & validation phase whereby the partner will use the centre facilities to develop & validate the service or the application it has identified within its partnership form proposal
- the co-marketing phase where, following a successful development & validation of the project, Alcatel and the partner agree to co-market this project towards network providers and Internet Service Providers.
- the pilot test phase in where the partner will use the centre technical platform capabilities to actually deliver its service in a pilot phase to a given network operator. This phase is conditional to the willingness of the network operator not to install the partner’s service in its own platform during the pilot phase and to a specific agreement for using the centre capacity for that purpose between the partner and Alcatel.

The centre capacity is expressed in terms of the number of simultaneous projects it can hosts that are either in the development & validation phase or in the pilot test phase. The selection committee will regularly meet to renew the centre recruitment following the end of use of the centre facilities by one or more partner.

This partner renewal may either consider projects that have been previously set aside only for centre capacity reasons or new projects submitted. It is expected that at least 3 substantial partners renewal will take place during the 2 year lifetime of this project.

The project committee secretariat will be continuously willing to accept and consider new project proposals at any time. Alcatel might consider to augment the centre capacity during the project lifetime should it consider this needed in order to avoid incurring long delays to valid waiting projects proposals.

### 4. Expected Accomplishments and Indicators of Achievement

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<th>Expected Accomplishments</th>
<th>Indicators of Achievement</th>
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| Establishment of an effective partnership centre within Alcatel’s premises at the MCIT smart village in Cairo. | - Number of projects incubated by the center, with full implementation and technical validation, during the 2-year period (minimum 16)  
- Number of projects co-marketed by Alcatel and the partner during the 2-year period (minimum 8) |
| Improvement of socio-economic conditions of rural communities or use of public services in various domains such as health, education or government services | - Number of services or applications belonging to partner projects incubated by the centre and selected by telecom or Internet Service providers of the ESCWA region (minimum 4)  
- Number of incubated projects providing services or applications that have a direct impact on rural areas usage of the telecom or Internet infrastructure (minimum 8) |
5. Activities

1. Installation of the technical platform for service delivery over telecom or Internet infrastructure
2. Establishment of a project team in charge of setting up the platform and initiating external activities to advertise the centre and set up a partner selection committee
3. Technical support of the partners present in the centre with the incurring cost of platform maintenance and floor space
4. Marketing support to partner projects with whom Alcatel signed a co-marketing agreement towards operators and Internet service providers
5. Running of the partner selection committee secretariat and management of its regular meetings for project renewal.
6. Activities 1 and 2 are essential prerequisites that must be completed during the project preliminary phases. The last three activities should run all along the project duration of two years.

6. Budget and Time Line

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<thead>
<tr>
<th>Activity</th>
<th>Timeline</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Activity 1</td>
<td>t0 to t0+3 months</td>
<td>US$400,000</td>
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<tr>
<td>Activity 2</td>
<td>t0 to t0+3 months</td>
<td>US$100,000</td>
</tr>
<tr>
<td>Activity 3</td>
<td>t0+3 months to t0+21 months</td>
<td>US$200,000</td>
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<tr>
<td>Activity 4</td>
<td>t0+6 months to t0+24 months</td>
<td>US$200,000</td>
</tr>
<tr>
<td>Activity 5</td>
<td>t0 to t0+18 months</td>
<td>US$100,000</td>
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<tr>
<td>Total estimated budget</td>
<td></td>
<td>US$ 1,000,000</td>
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