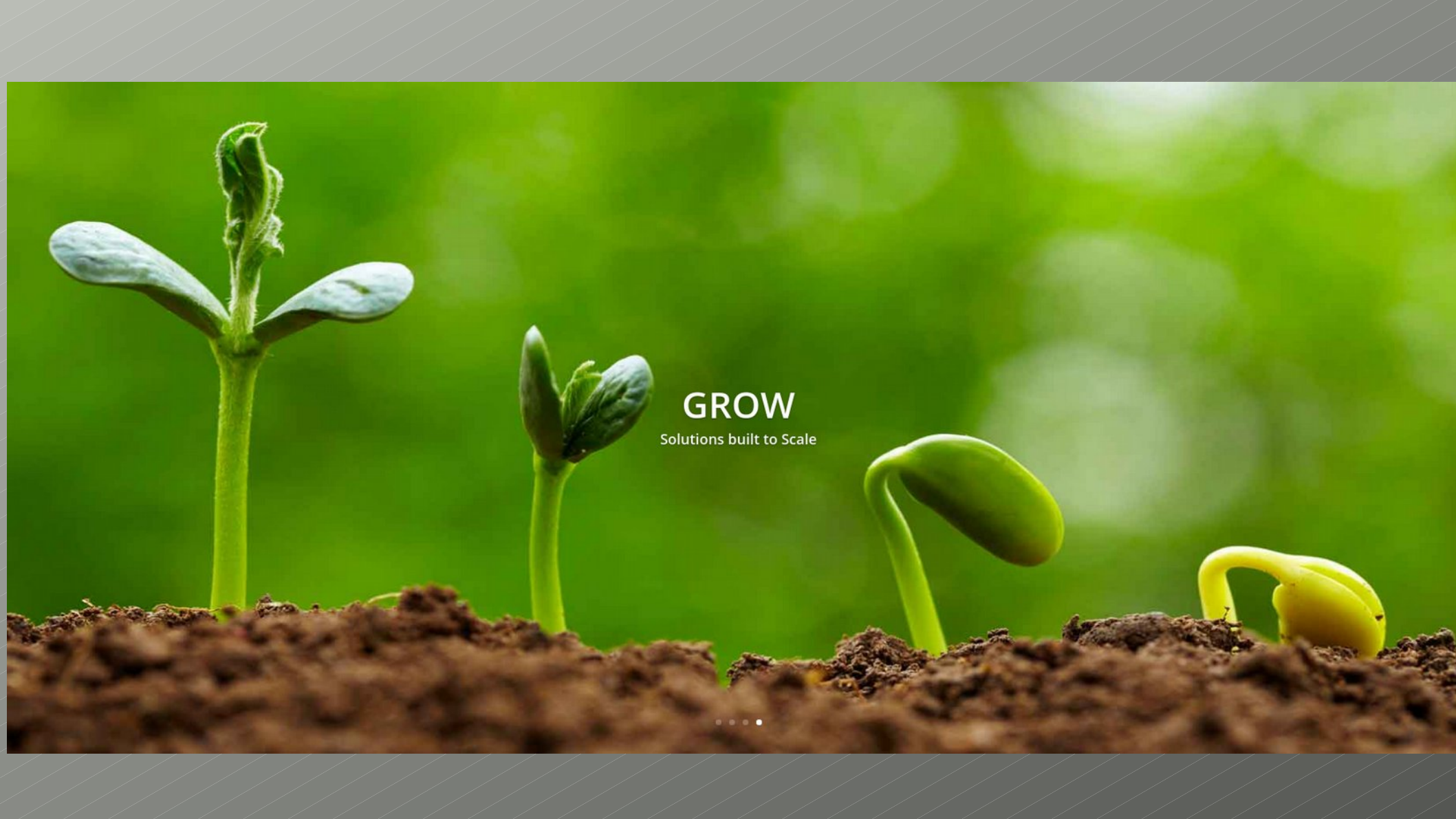


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Connecting Everyone with Networks as in Commons
ISOC CNSIG Africa SUMMIT

Oct, 29th 2,019
guifi.net foundation
fundacio@guifi.net

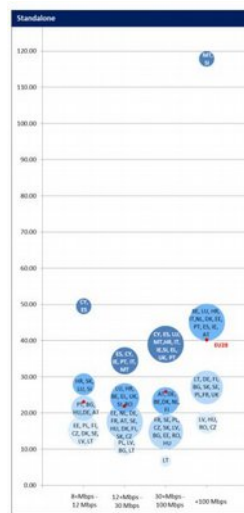
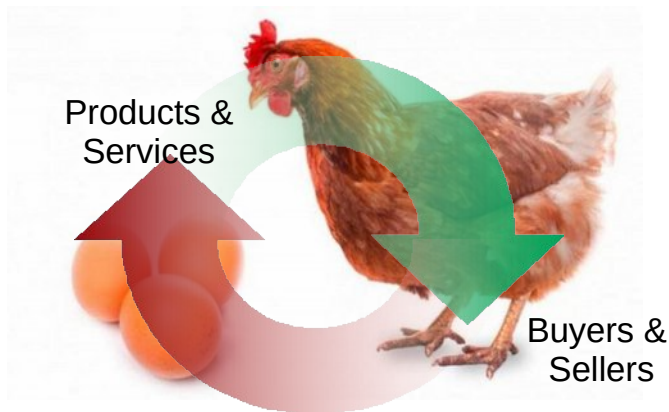
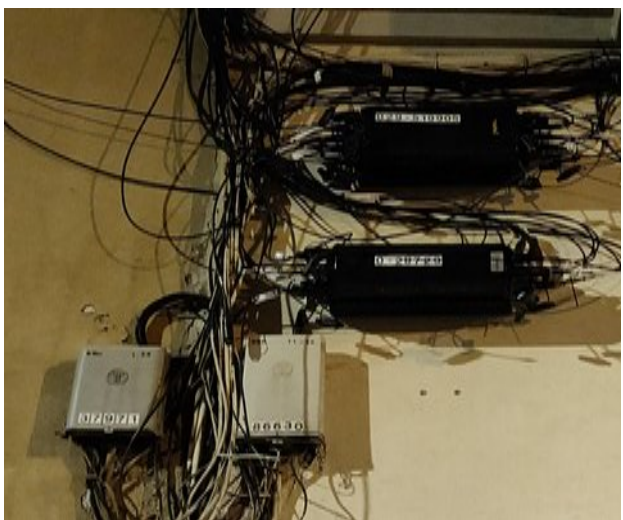


GROW

Solutions built to Scale



- Unconnected people
 - Digital divide (rural areas, low incomers, ...)
- Internet Service provided by a few players
 - Lack of alternatives leads to high prices
 - Extractive economy
 - Leveraged by global Corporations, excluding SME's & Communities

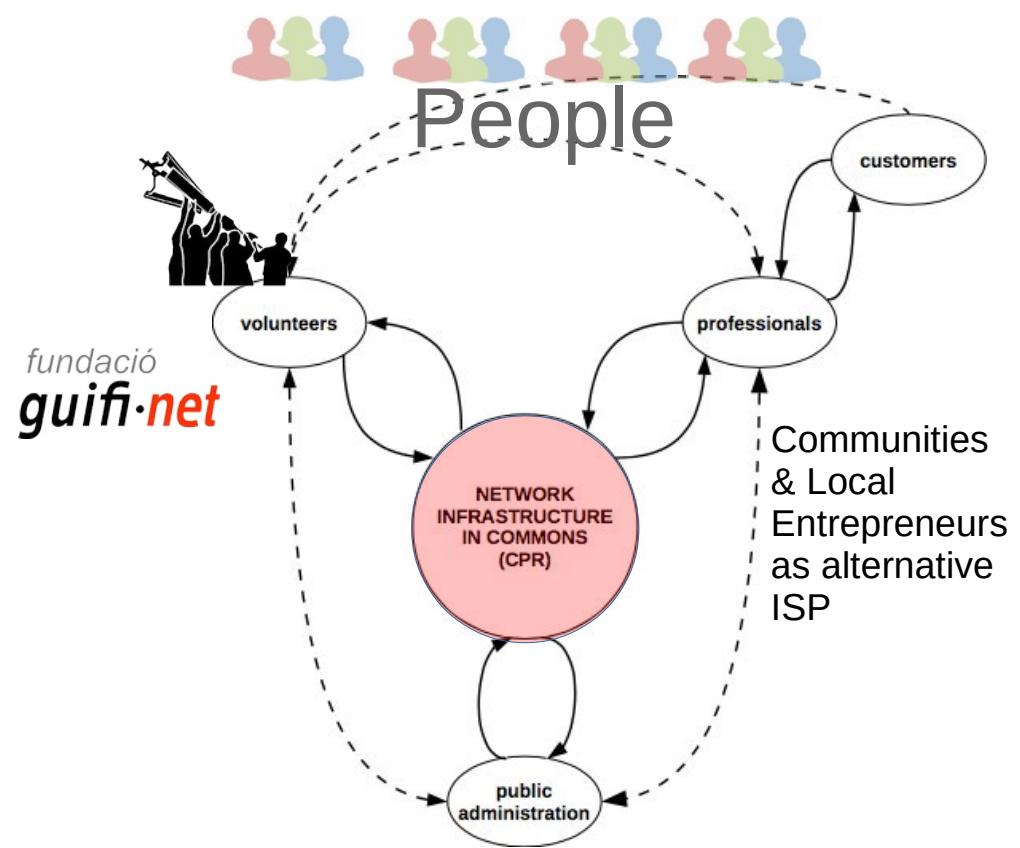


Current Environment/Market

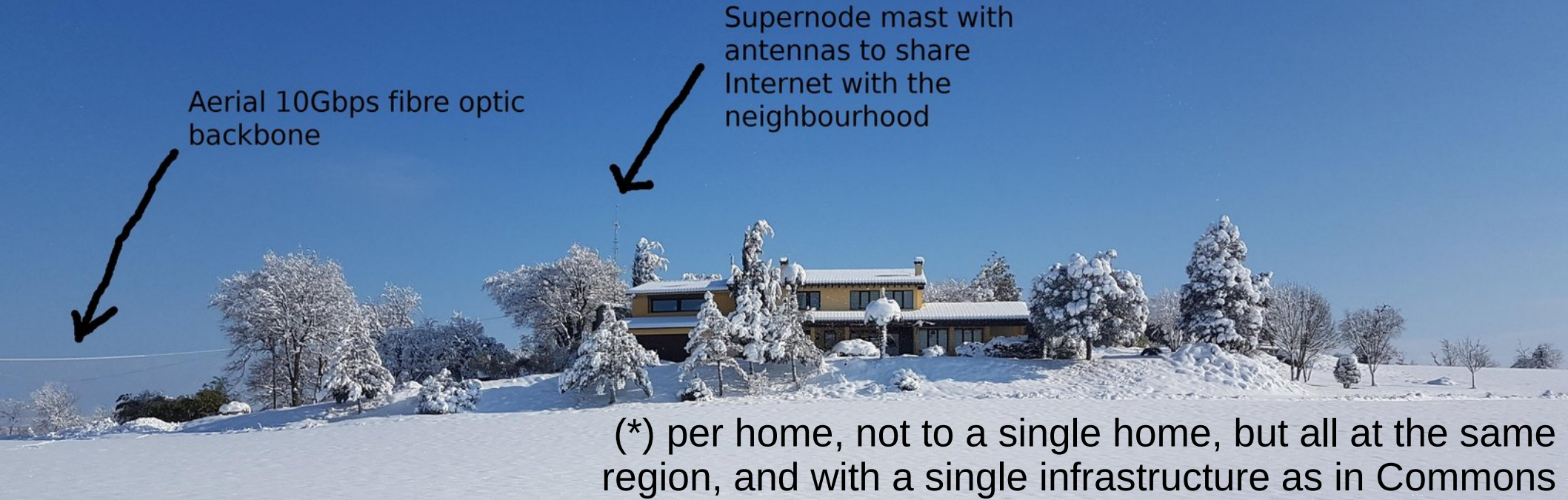
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- Single and well maintained Infrastructure, thus available/open to
 - Any user
 - incl. Free self-service & those who are willing to pay to grant a service
 - Any Service Provider,
 - incl. Local Communities, SME's...

- Network Infrastructure as in Commons
 - Bottom-Up WOAN (Wholesale Access Only) to avoid conflict of interest between managing the infrastructure and providing services
 - Open & Available to all Local Orgs with same conditions
 - Following Elinor Ostrom principles for “Governing the Commons”
 - 2009 Nobel Prize on Economics
 - Address the “Tragedy of the Commons”



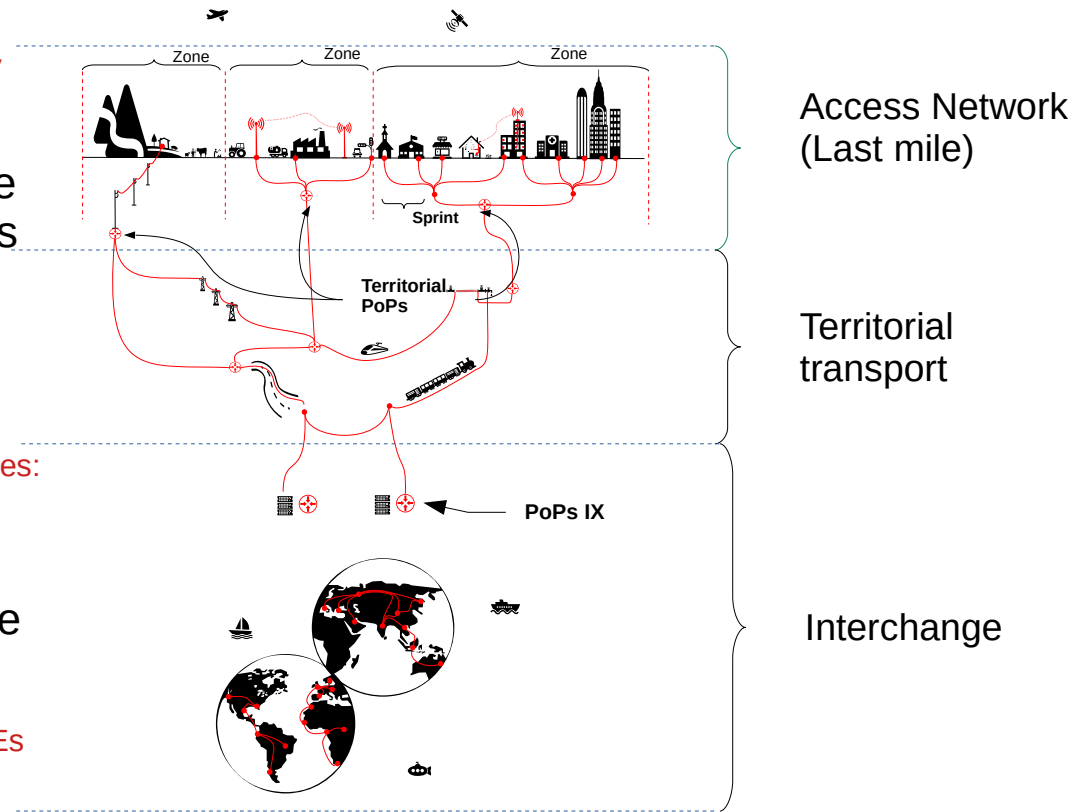
Much less cost than delivering
electricity or drinking water at home!
(*)



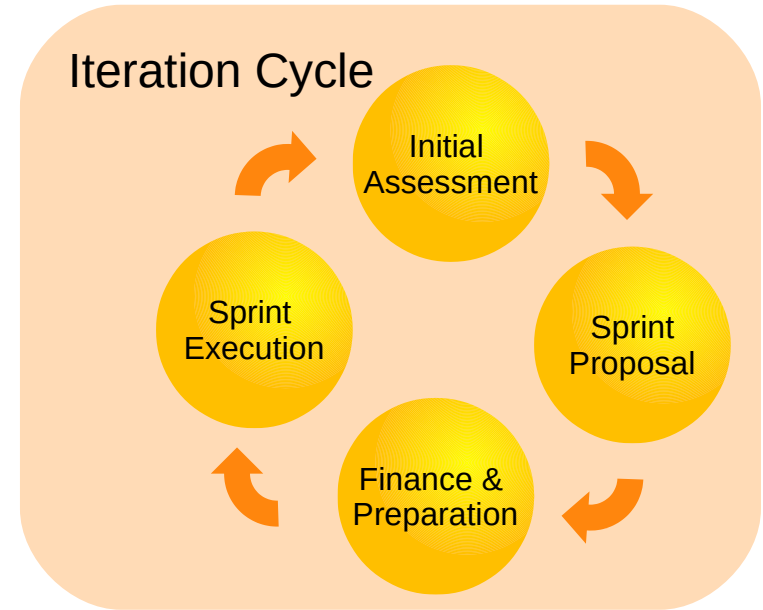
- Affordable Internet
 - Diversity of retail options to the users to ensure competition & low cost
 - Reaching & Accessible to everyone
- For the benefit of the People
 - Inclusive economy as an alternative to extractive business models taking people's income and sending profits abroad
 - Empowering local communities & professionals

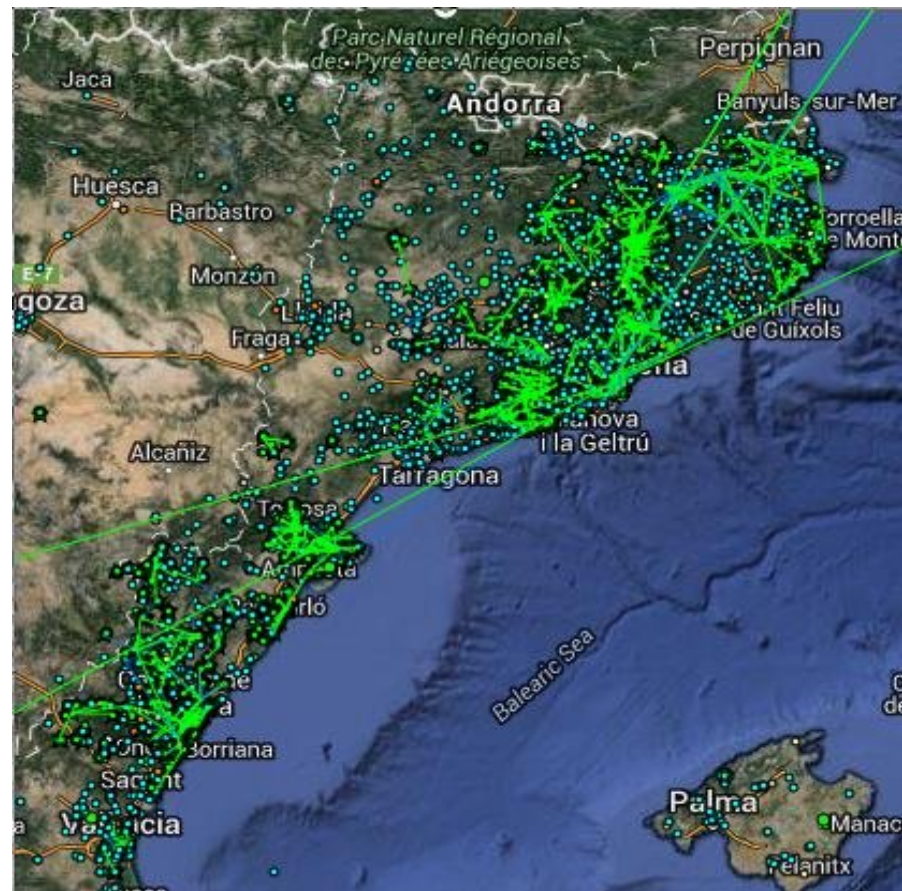
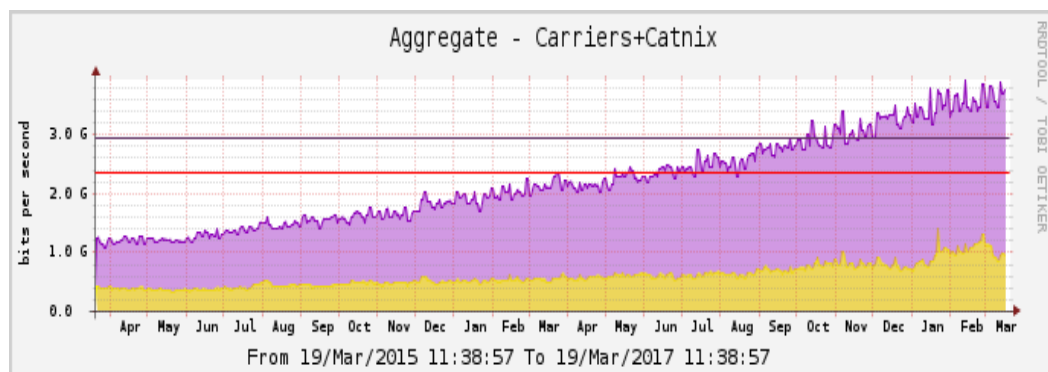
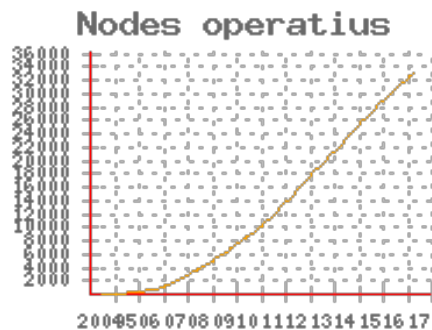


- Technology getting cheaper and simpler
 - Much cheaper than drinkable water or electricity
- Activation of the most valuable asset: Time & Labour from Local SMEs & Communities
 - 90% of the cost is at the last mile, and the most costly item is labour
- Maximize efficiencies by reusing existing infrastructures
 - Existing Posts, Roads, Railways, Power Lines, examples:
 - 2014/61/EU Directive on measures to reduce the cost of deploying high-speed broadband
- Full Cycle (from the submarine cable to the user) & Collaborative Ecosystem
 - Avoid unnecessary intermediaries, empower local SMEs & communities
 - Circular / Non-extractive / Localized

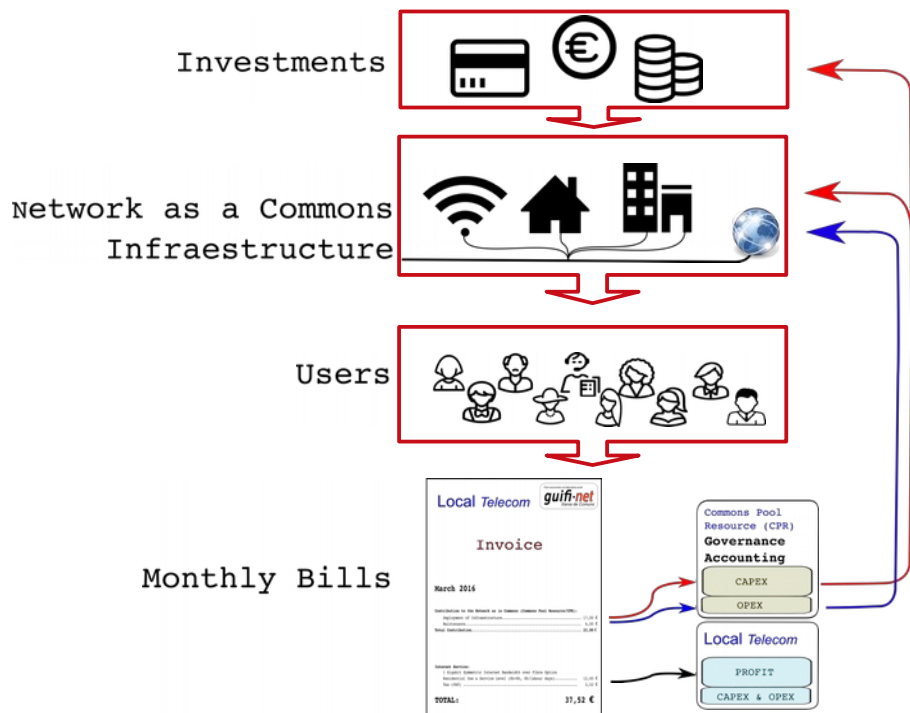


- **Iterative Sprints** oriented to get results in a short term
 - Phases
 - **1.- Initial Assessment.** Agreement on Objectives, Format & Methodologies.
 - Don't make sense to go forward without agreeing on the basics
 - Retrospective evaluation when iterating
 - **2.- Sprint proposal.** Write a proposal oriented to get results in a short time
 - **3.- Finance & Preparation.** Get resources to execute the Iteration Sprint
 - If takes too long, make the project scope smaller
 - **4.- Execution.** Execute the Iteration Sprint
 - Restart the cycle, and if possible, replicate to scale up





Methodology (II): Inventory & Accounting



- Investment recognition
- CPR Deployment
- User / Customer Recruitment
- Billing
- Revenue Split Sustainability for:
 - SP Profit & Expenses
 - CPR Maintenance

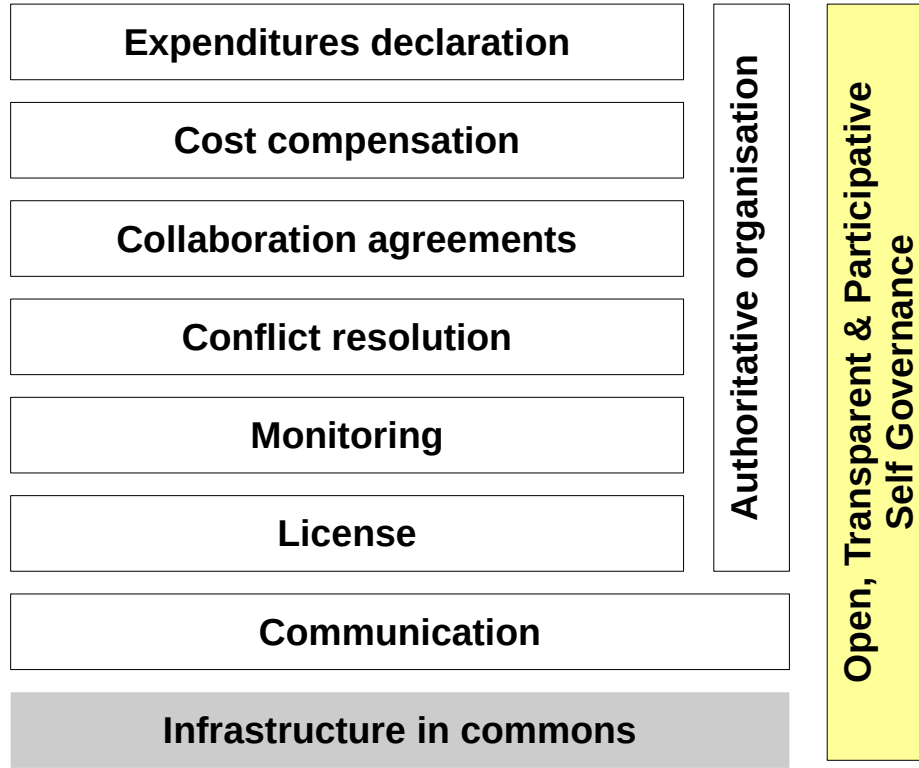
	Sense Fils	FO	Comentaris
Servei ISP		12 €	Cobreix: Beneficis + CAPEX & OPEX del ISP.
CAPEX en el moment de connectar			
Contribució al supemode	<ul style="list-style-type: none"> A: Cost del "drop" (350€) B: Cost del "drop" x 2 (700€) C: No el financem (1.500€) 		Sense fils, s'aplica l'import que consta com a contribució a l'apadrinament per a la cobertura
CAPEX diferit (mensual)	4 €	17 €	El pagament mensual en fibra només s'aplica quan no s'ha pagat el cost sencer en el moment de la connexió
OPEX	4 €	6 €	FO: Inclou manteniments de la línia, electròniques (ONU+OLT) i mans amb un nivell de servei mínim (8+8 laborables 8h). Per a nivells superiors, cal posar-se de mantenidor o arribar a un acord amb el mantenidor. Sense fils: NO inclou equips del client. Compensació de retenció segons ràting: • B: 50% • C: 100%
TOTALS	20 €	18 € (35 € si finançat)	Tots els ISP comercials han de publicar preus. Les entitats sense ànim de lucre NO poden publicar preus comercials

Methodology (III): Accounting & Cash Flows

Desglòs de la repercussió del cost per línia activa

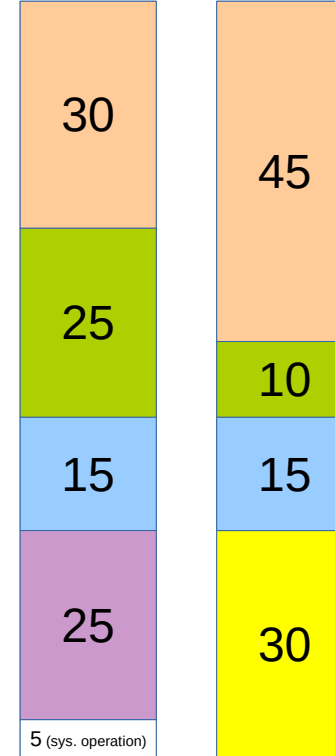
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Resilience, scalability, sustainability



Expenses & Contributions
(e.g.: = 100€)

Resource Usage
(%)



Compensation Settlements
To **Compensate** or to **Pay**



Orange Operator
 $30 - 45 = -15\text{€}$

Green Operator
 $25 - 10 = +15\text{€}$

Blue Operator
 $15 - 15 = 0\text{€}$

Installer/Maintainer
 $25 - 0 = +25\text{€}$

Yellow Operator
 $0 - 30 = -30\text{€}$

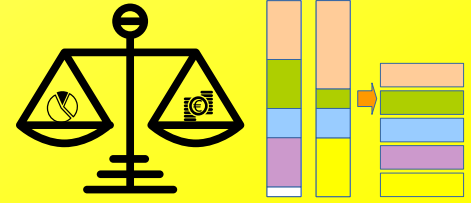
System operation
 $5 - 0 = +5\text{€}$

$$\Sigma = 0$$

Methodology (IV): Self-regulation & Compensation

Compensation tables

- Establish territorial compensation criteria
- Monthly periodicity



Operators/ Service providers



Rights

- Voice and vote
- To receive compensations
- To make proposals

Duties

- To settle the compensations
- To provide the data to calculate the compensations

Public Admin. or Investors



(optional)

Rights

- Voice & vote
- Quality vote & veto on issues related to benefits or administration of public resources
- To Make proposals

Duties

- To stick to criteria of non-discrimination & equality

Regulator



Foundation (*)

Rights

- Voice
- Veto on issues related to the Commons, vote if needed (ex: in the case of tie)

Duties

- To make proposals targeting the consensus
- Accounting
- Execute the compensations

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(*) To be replaced by local Institution

Methodology (V):
Participatory Governance

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Seguiment de Resultats						
Total invertit	1.720.808 €					
Inversió amb dret a rendiment	1.353.758 €					
Rendiment generat per al retorn	23.940,35 €					
Remuneració actual	21,22%					
OCL pagats	247	14,75%				
Linies Totals	1.675	26,34%				
Cost x línia REAL	1.027 €					
Resum de Compensació CAPEX						
Participants	Aportació		Utilització s/usuarios		Compensació s/Generat	
	€	%	# Usuarios	%	%	Balanç
Fundació	0,00 €	0,00%	0	0,00%	0,00%	0,00 €
Operador1	520.808,37 €	38,47%	642	44,96%	-6,08%	-1.455,19 €
Operador2	106.375,52 €	7,86%	278	19,47%	-11,88%	-2.844,82 €
Operador3	0,00 €	0,00%	18	1,26%	-1,28%	-306,00 €
Operador4	34.259,20 €	2,53%	0	0,00%	2,53%	605,85 €
Operador5	12.087,92 €	0,89%	0	0,00%	0,89%	213,77 €
Operador6	587.227,14 €	43,38%	490	34,31%	8,95%	2.141,74 €
Altres (amb dret de retorn)	92.999,99 €	6,87%	0	0,00%	6,87%	1.644,65 €
TOTALS	1.353.758,14 €	100,00%	1.428	100,00%	0,00%	0,00 €

EBITDA on Infrastructure

- Keep results within objectives by KPI follow-up:
 - Example on EBITDA on Infrastructure
 - Low:** Focus on user acquisition / project stabilization
 - High:** Invest on extending infrastructure

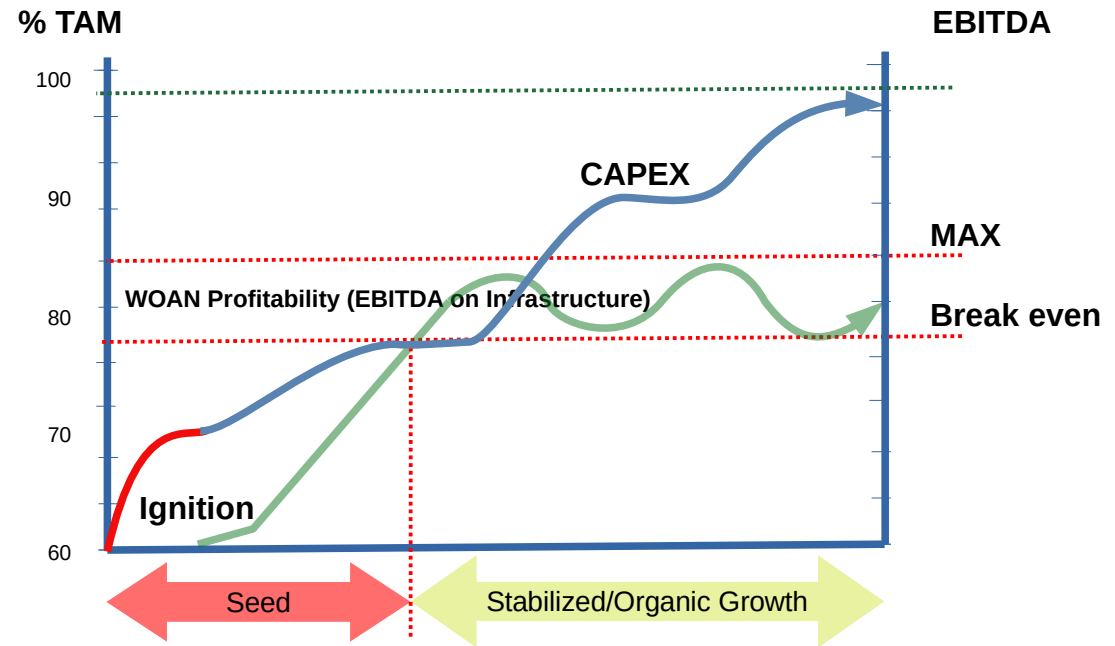
Methodology (VI):
Return of the Investment

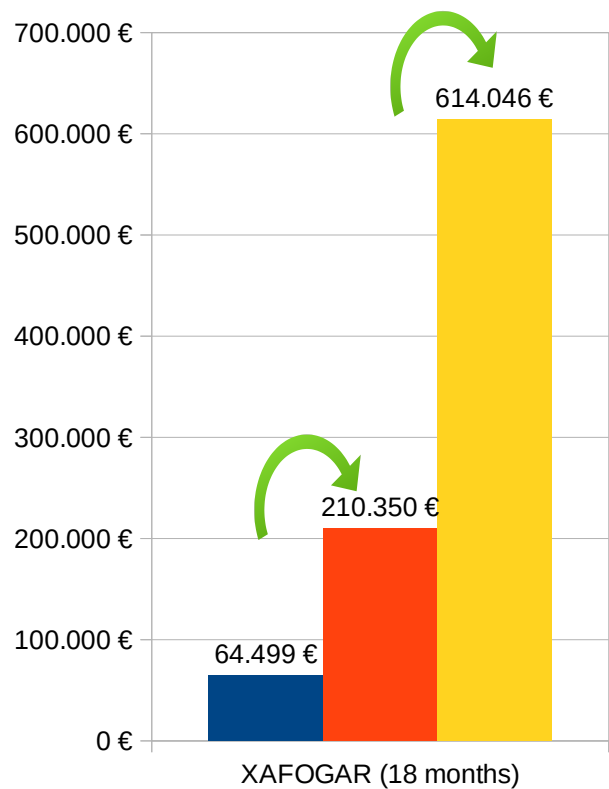
- **Initial/Seed**

- Promoted by Local stakeholders
 - Communities, Local administrations and/or Local Entrepreneurs.
- Governance implementation
 - Goal: break-even in a short term (~1 / 2 years)
- Requires ignition resources

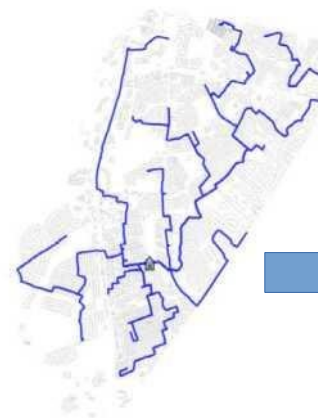
- **Stabilized/Organic growth**

- Once break-even achieved by cash-flow generated, follow best practices and follow performance KPIs:
 - Predictable financial performance based on real cash flows & ensure competitive pricing
 - User base won't evaporate!
- Organic growth: Rhythm the investments according to the user acquisition rate.





■ Municipalities
■ Crowdfunding
■ Operators



- Investment



Real example on fund-raising

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- Looking for volunteers for refine & adapt good practices in other contexts
 - Drop me an email!
 - ramon.roca@guifi.net

