Orange for development
France Telecom-Orange is one of the world’s leading telecommunications operators, with 172,000 employees worldwide and sales of €45.3 billion in 2011. Our Group provides services to 226 million customers in 35 countries for residential services and 220 countries and territories for business services. One of the strategic pillars of our “Conquests 2015” strategy is international development, with a strong focus on Africa and the Middle East. Orange is present in 25 countries in these regions and Asia, with over 84 million subscribers and 21,000 employees in 2011 (including unconsolidated companies). In 2011, the Group invested around €800 million in these countries, thus contributing to their social and economic development.

Orange has 3,500 employees working on innovation worldwide on 19 sites in France, China, South Korea, Japan, the United States, Poland, the United Kingdom, Jordan, Egypt, and the Republic of Côte d’Ivoire. The Orange Labs in Cairo, Egypt, and the Technocentres in Abidjan, Republic of Côte d’Ivoire, and Amman, Jordan, which have a particular focus on emerging countries, propose innovative, low-cost solutions that answer local needs.

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Information and communication technology (ICT) is a major driver of socio-economic development in emerging countries, particularly in rural areas.

Our Group is a major player in emerging economies, and, as a signatory of the UN Global Compact, Orange considers Corporate Social Responsibility to be an integral part of the Group’s business. Accordingly, we have decided to make socio-economic development a strong driver of our strategy in emerging countries. Orange believes in innovative win-win solutions for the countries in which it is present and in co-developing these solutions in partnership with local and global stakeholders.

The goal of Orange for development, a group-wide initiative, is to coordinate the business approach for the Group’s socio-economic involvement and provide key principles of success in the areas of governance, partnership facilitation and demand stimulation.
Socio-economic development is a key priority for our stakeholders in Africa and the Middle East. Contributing to a favourable socio-economic environment also yields tangible benefits for Orange’s business and future growth.

ICT as a major contributor to socio-economic development

- **develop infrastructure:** ICT significantly contributes to service accessibility and business competitiveness.

- **stimulate employment:**
  ICT generates opportunities to stimulate labour ecosystems and create new companies in the field of ICT services

- **improve economic productivity:**
  about 10% of all productivity gains by SMEs can be credited to the Internet, while voice applications reduce unproductive travel time and improve logistics. By enhancing information flows, ICT improves local market dynamics.

- **resolve social issues:** voice applications allow dispersed families to stay in touch and provide access to health and e-government services, improving the security of these populations by reducing their vulnerability and isolation.
socio-economic development as a condition for Orange’s growth

- **achieve strategic goals:** socio-economic development is a key to achieving our “Conquests 2015” goal of winning more than 100 million new customers, mostly in emerging countries.

- **enhance business dynamics:** as some emerging markets show signs of maturity, socio-economic development offers a way to expand business opportunities and strengthen local economic ecosystems to enable long-term, sustainable operations.

- **create new opportunities:** social innovation and socio-economic development offer opportunities to find new pockets of growth in adjacent markets with cost-effective business models. Strengthening the ICT ecosystem improves Orange’s value chain.

- **materialise corporate responsibility:** when a company accounts for a large part of a country’s GDP and is a leading employer and taxpayer, stakeholders’ expectations are high and should be properly addressed to avoid long-term risks involving regulation, competition, customer and brand issues, etc.

**did you know that…**

… the GDP growth rate of a developing country can be boosted by 0.59% per year for every 10 mobile telephones added per 100 inhabitants.
(Source: “The Impact of Telecoms on Economic Growth in Developing Countries in Africa: The Impact of Mobile Phones.” 2005)

… a 10% increase in Internet penetration translates into an incremental GDP increase of 1% to 2% in emerging economies.
(Source: BCG 2009)

… a 10% increase in broadband penetration can contribute 1.38% to economic growth.
(Source: Qiang et al. 2009)

... the mobile telephone sector directly or indirectly employs over 3.5 million people in sub-Saharan Africa.
(Source: ITU – 2009)
For several years now, we have been conducting regular surveys involving customers, employees, partners, NGOs and local authorities in many of the African and Middle Eastern countries in which we operate. Based on these stakeholder dialogues, we have decided to focus Orange for development on three main fields of action.

- **infrastructures and connectivity**
  to improve network coverage and increase accessibility for all, including rural populations

- **social and business innovation**

- **value-added services**
  targeting the needs of different population groups in the fields of health, education, agriculture, financial services and government

- **ecosystems and enablers**
  to develop local ICT markets with projects such as start-up incubation and funding, open innovation platforms, and cooperation with local universities and technical institutes
One of our main goals is to provide high-quality network coverage and increase accessibility for all. In our African and Middle Eastern footprint, about 190 million people live in rural areas. Better serving them is a key challenge for us. Expanding our network and connectivity to rural areas often requires new kinds of partnerships with local stakeholders and communities. To maintain our services at an accessible cost, we are looking at innovative solutions such as shared infrastructure, shared voice/Internet access and alternative distribution networks.

Already achieved...

Over 1,700 villages are currently benefiting from the Orange “Community phone” solution. Rolled out in Mali, Niger, the Republic of Côte d’Ivoire and the Central African Republic, community phones encourage micro-entrepreneurship, since a person equipped with an antenna, a mobile phone and a solar battery charger can become the operator for an entire village. A “Community Internet” solution developed by Orange is currently being tested in Uganda.

Rural mobile coverage in Africa is easier, cheaper and more environmentally sustainable thanks to Orange’s solar-powered base stations. More than 2,000 of them have already been deployed in 18 countries, providing 13 GWh annually and preventing 67,000 tons of CO₂ emissions.
value-added services

Orange believes in innovating to create new products and services for its customers in the areas of finance, agriculture, health, education and e-government. These new value-added services can be either developed or just operated (i.e., developed through revenue sharing with third-party partners) by Orange.

already achieved...

Among many other services, Orange deployed Pocket Agriculture Feed in Niger in 2010 and is about to launch it in Mali. This service provides farmers with market prices for crops via SMS, in partnership with the National Agricultural Chamber Network (RECA).

By the end of February 2012, Orange Money had conquered 3.5 million customers in the Republic of Côte d’Ivoire, Senegal, Mali, Niger, Madagascar, Kenya, Botswana and Cameroon. Further roll-outs in other African countries are planned. This mobile phone payment and transfer service allows customers to make simple financial transactions such as deposits, withdrawals and transfers; they can also pay utility bills or make purchases from selected retailers, services that make life easier for customers in areas with limited banking access.
ecosystems and enablers

In addition to philanthropic initiatives led by the Orange Foundation in the fields of health, education and culture, we believe that dedicated technologies and financial and human resources that support local ecosystems enable bottom-up innovation and the emergence of “local for local” products, services and content. Developing such toolboxes requires specific incubation mechanisms (open platforms, financial and management support), often designed on a (sub)regional basis to meet Orange investment criteria. Partnership ventures with specialised stakeholders can help provide key skills and pool risks. Last but not least, partnerships with local universities and technical schools enhance skill flows to Orange.

already achieved…

In June 2011, Orange launched the **African Social Venture Prize** to support entrepreneurs and start-ups using ICT to meet the needs of Africans. More than 600 candidates responded to the call for projects. In November 2011, during a ceremony held in South Africa, the first awards went to:

- the Nigerien project “Horticultural Remote Irrigation System”, which uses mobile technology to improve productivity while preserving water resources;
- AgaSha Business Network, a Ugandan start-up that uses the Internet to help small and medium-sized African companies grow;
- Kachile, a start-up in the Republic of Côte d’Ivoire that offers an e-commerce platform to well-developed West African arts and crafts industries lacking visibility and market access.

Through Sonatel and in partnership with public authorities and the World Bank, our Group set up the **CTIC Incubator** in Dakar, Senegal. It supports up to 30 promising local SMEs in the ICT sector during a three-year incubation cycle.
key principles of success

1 listening

We believe in identifying and prioritising Orange for development initiatives in an inclusive way. Each country has its own context and environment, so the development of every action plan or project takes local specificities and communities into consideration. One of our key principles is to work closely with local and global stakeholders and to choose partners involved with business stakeholders.

2 experimenting

In new business fields, experimentation is the only way to validate market effectiveness and anticipate scaling issues. However, experimentation is not an objective in itself. Starting an experiment is valid if large-scale deployment/replication is part of the roll-out plan. Impact and financial evaluations are a condition for improving the process and enhancing our learning curve.
The Orange for development approach requires complementary partners to help us successfully deploy and run sustainable business models. In developing countries, there are many players working on local projects: governments, development agencies, NGOs and foundations. In most cases, they follow a local policy framework based on the UN Millennium Goals. Using a local development policy framework helps find financial partners and committed field partners. Since traditional top-down, go-to-market processes are not appropriate in these complex, informal communities, **local partnering is a vital key to success and a sustainable business model.**