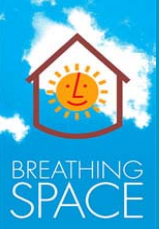


# Shell Foundation Breathing Space Programme

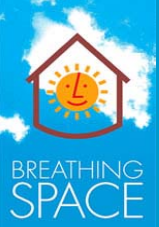
## HEH Strategy Review



# Shell Foundation HEH

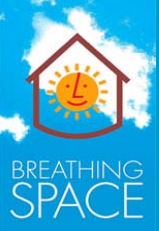
## Objectives

**Shell Foundation aims to achieve a significant long term reduction in the incidence of Indoor Air Pollution at the global level, by deploying approaches which are market oriented and commercially viable**



# Processes and Tools To Date

- ◆ Pilot and Scale up of projects globally
- ◆ Monitoring and Evaluation
- ◆ Technology equipment, publications and training
- ◆ Commercialisation Toolkit & Business Plan Toolkit



# Market Evaluation Criteria

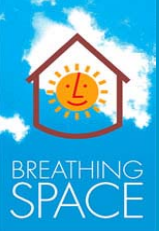
Each geography is rated against the following market criteria in order to identify which markets provided the greatest commercial opportunity for an IAP programme.

- ✓ **Size of the IAP problem**
- ✓ **Market Environment**
  - ✓ Political & Business Environment
- ✓ **Stove Industry Maturity**
- ✓ **Customer Demographics**
  - Income Levels
  - Customer Value Proposition

Rating:

- High = 4
- ◐ Medium = 3
- ◑ Low = 2
- Minimal = 1

Region	Size of the IAP Problem	Market Environment	Foreign Aid Trends	Industry Maturity	Industry Players	Customer Demographics
East Asia						
South Asia						
Latin America						
Sub Saharan Africa						



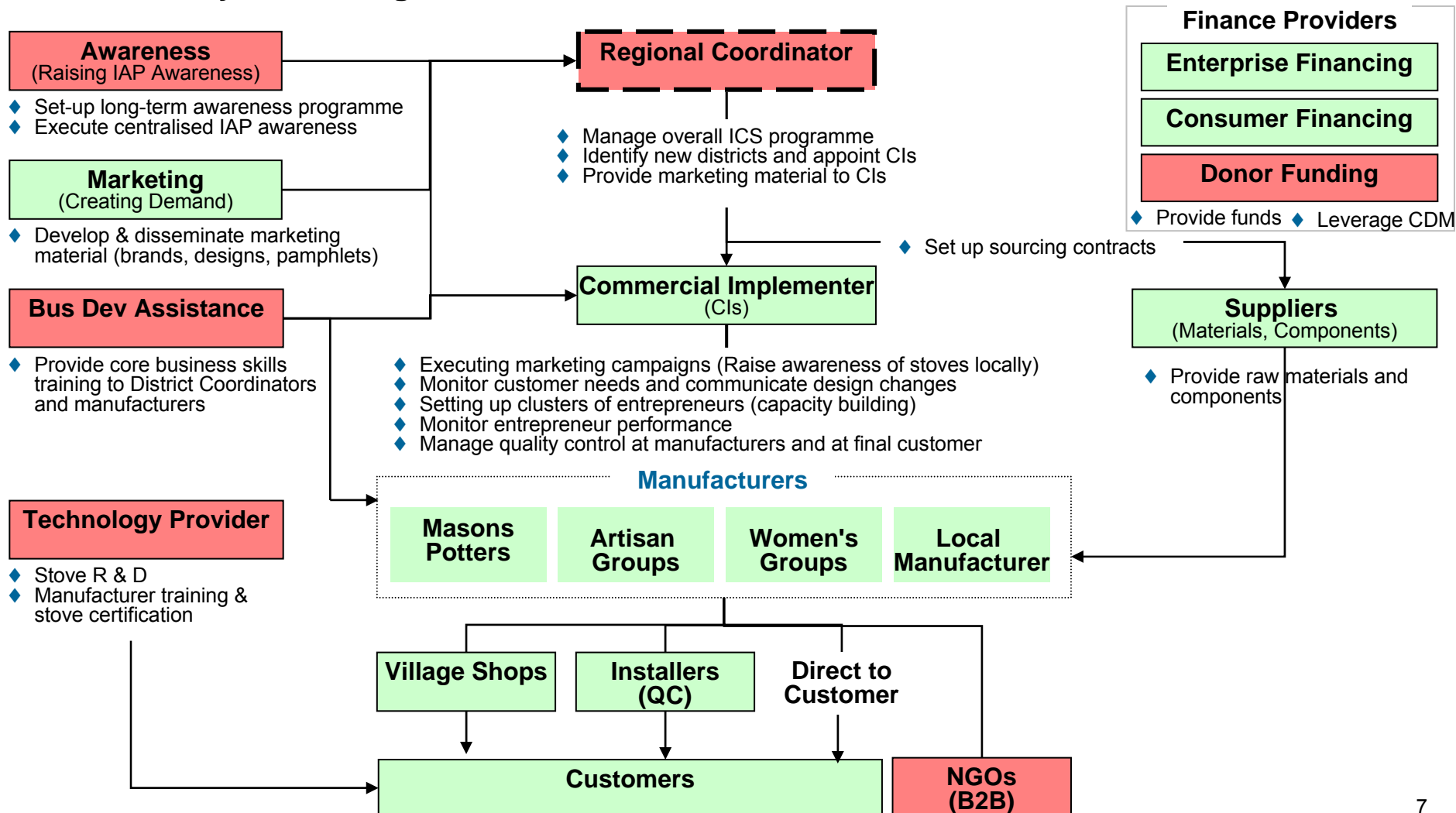


# How do we serve rural customers?

## Business Model: Rural Decentralised Model

Segment 1 Rural Below Poverty Line	Segment 2 Rural Medium Income	Segment 3 Rural High Income
Segment 4 Urban Below Poverty Line	Segment 5 Urban Medium Income	Segment 6 Urban High Income

A **Rural Decentralised Commercial Model** is the appropriate business model for the commercially viable target market of **rural medium income** households.

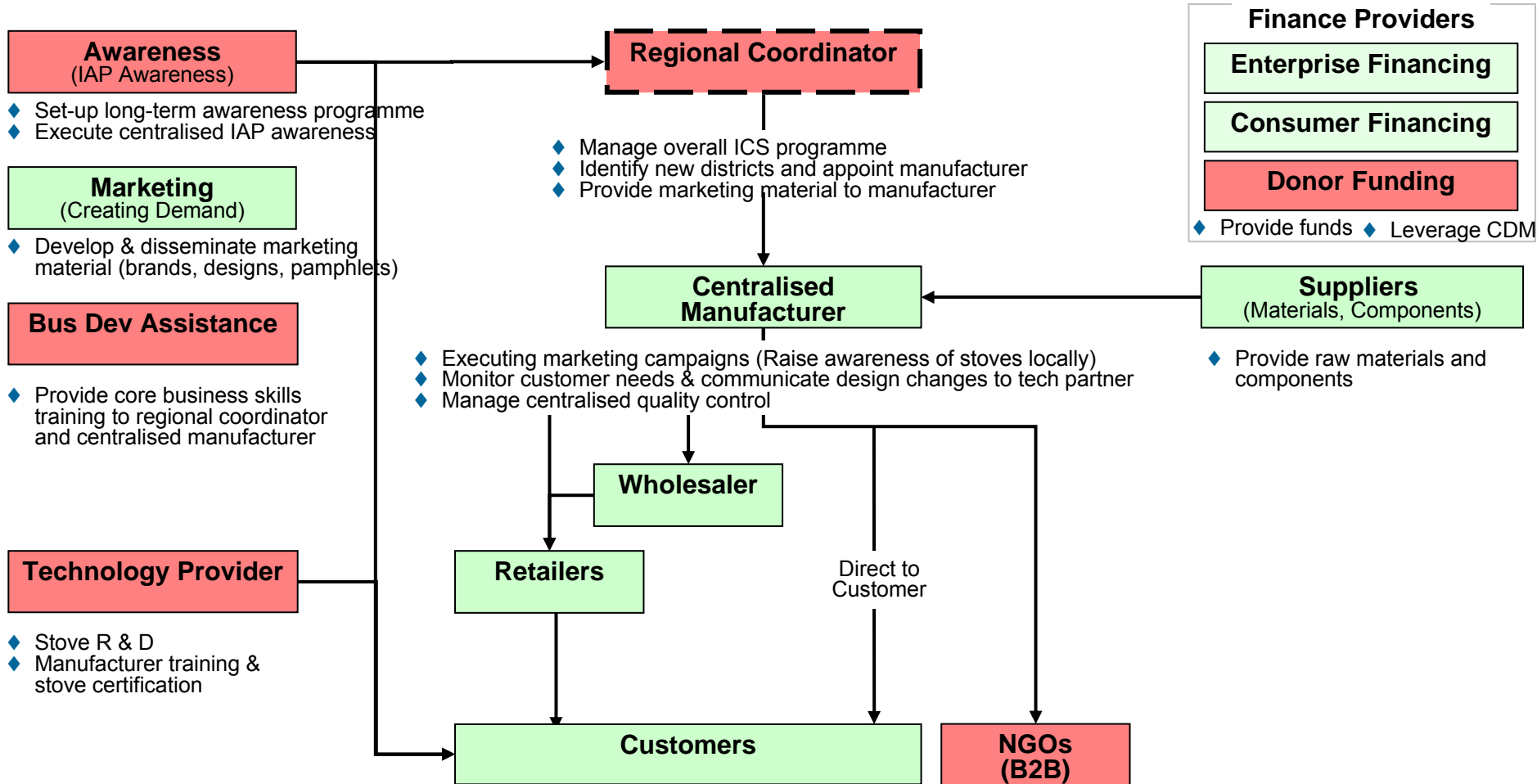


# How do we serve urban customers?

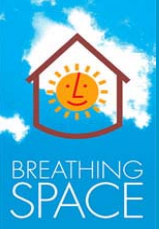
## Business Model: Urban Centralised Model

Segment 1 Rural Below Poverty Line	Segment 2 Rural Medium Income	Segment 3 Rural High Income
Segment 4 Urban Below Poverty Line	Segment 5 Urban Medium Income	Segment 6 Urban High Income

A **Urban Centralised Model** is the appropriate business model for the commercially viable target market of **urban medium income** households.







# Shell Foundation HEH Objectives

Shell Foundation aims to achieve a **significant long term** reduction in the incidence of Indoor Air Pollution at the **global** level, by deploying approaches which are **market oriented** and **commercially viable** .....

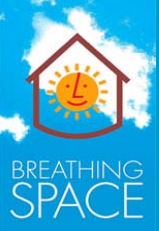
**20 million** stoves sold in **5 countries** in next **5 years**  
employing **\$50million**

# Shell Foundations role

- **Overseeing** each project and **managing** it
- **Identifying, Scoping ,Capacity Building** and leading the way for deliverables with all partners on
  - 6 new geographies
  - BDA
  - Awareness
  - Funds
  - Bank financing
  - Technology
  - Governance on boards of main commercial project partners
  - Consolidated reporting by each project- Monthly
  - Communications – Build the storylines

# HEH 5 Year Strategy

- ◆ SF will 'own' this in 2006 and part 2007 and then vision for Breathing Space spin off.
- ◆ This is a commercial model and will probably include commercial players in some roles
- ◆ Focused and strategic but recognise that it is only one solution
- ◆ Still a critical need to find a suitable technology that will deliver the improved stove performance and the customers needs
- ◆ Continued focus on Biomass to reach the most commercially viable and significant scale customer segment
- ◆ No strategic focus on BPL or institutional customer segment (B2B model to be dealt with opportunistically)
- ◆ Blend of grant and "investment" funding (1:3)
- ◆ Difference to now: Right role/Right People vs. everything for all; investment vs. grant; Ad hoc enablers vs. focus on enabling environment



## Next Steps...

- ◆ Consult external stakeholders for feedback
- ◆ Recruit new SF HEH personnel
- ◆ Scope and cost enablers for India, and then Globally
- ◆ SF Roll out in India
  - ◆ Getting interest contacting potential partners Q1
  - ◆ Scoping Q2
  - ◆ Tending Q3
- ◆ Other country reviews