

GAPP

These tables give overviews of various GAPP financing methods and rate each method as High (H), Medium (M), Low (L) or Varying (*) in terms of various measures including time and cost to implement, financial risk, potential reach (how many citizens can benefit) and social impact.

Finance Method	Definition	INVESTMENT				IMPACT		Comments
		Time to Implement	Management Complexity	Cost to Implement	Financial Risk	Potential Reach	Social Impact	
Consumer Finance	Lending institutions or service providers loan money for PC purchase							<ul style="list-style-type: none"> Establish credit for low income consumers Loans are small and it may be difficult to assess credit history Infrastructures are already in place
Secured loans	Loan is secured by government funds or consumer asset such as a pension fund	M	H	M	L	M	M	<ul style="list-style-type: none"> Reduces payment risk Enables more people to participate
Telco/Service Provider in-bill financing	Loan payments are included in recurring payments such as phone bill	M	L	M	L	M	M	<ul style="list-style-type: none"> Leverages existing billing infrastructure to handle loan servicing Existing customer base Loan is secured through a vital service such as a phone service
IT tax credits	Government waives taxes such as VAT or import duties on components for qualifying PCs	M	H	M	L	M	M	<ul style="list-style-type: none"> Potentially increases ICT competitiveness Reductions in duties and taxes can have a positive effect in reducing gray market activity
Mortgage Payments	Loan payments are included with mortgage payments	M	L	M	M	M	M	<ul style="list-style-type: none"> Leverages existing infrastructure Enables more people to participate Offer can easily be extended to an existing customer base
Student loans	PC loan is bundled with student loan	M	M	M	H	M	M	<ul style="list-style-type: none"> Leverages existing loan services Easy to market to potential participants
Pension funds loan	Tax-free loan direct from consumer's pension fund	M	M	M	L	M	M	<ul style="list-style-type: none"> Uses existing resources for loan servicing Limited to consumers with a pension fund Easy to market to potential participants
Guarantees enabling low interest loans (Financial guarantees enabling low interest or 0% loans)	Financial organizations (public or private institution) cover loan interest for citizens	H	H	H	H	H	M	<ul style="list-style-type: none"> Mitigates risk for all parties involved Enables more people to participate



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Government Tax Incentives	Government gives tax reductions in order to lower PC purchase price							<ul style="list-style-type: none"> Government backing creates confidence for lenders, sellers and other eco-system members These programs have the biggest potential impact Longer time to realize ROI impact and benefit
Consumer tax credits	Consumer gets income tax deduction or VAT/sales tax waiver for PC purchase	H	H	M	L	H	H	<ul style="list-style-type: none"> May not apply to all countries; income tax credits are less likely to work in countries with flat tax or for low-income consumers who pay little tax Revenue may be lost initially, but more revenue could be generated through PC purchases
Business tax credits	Business gets corporate tax credit or employee benefit write-off for subsidizing employee PC purchase	H	H	M	L	M	M	<ul style="list-style-type: none"> Infrastructure & financial systems may already be in place to support this method Could limit smaller businesses from participating as they are less likely to have HR and financial administration support and systems
IT tax credits	Government waives taxes such as VAT or import duties on components for qualifying PCs	H	H	M	L	M	M	<ul style="list-style-type: none"> Reductions in duties can have tremendous impact and reach Reductions in duties can have a positive effect in reducing gray market activity
Direct Government Subsidies	Government funds directly subsidize PC purchases	M	M	H	M	M	H	<ul style="list-style-type: none"> Direct funds can have limited reach Complimentary to other funding assistance Target investment to designated demographic

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Finance Method	Definition	Time to Implement	Management Complexity	Cost to Implement	Financial Risk	Potential Reach	Social Impact	Comments
New Finance Models	Non-traditional sources of financing							<ul style="list-style-type: none"> Potentially large sources of funds Taps into existing programs These models are largely untested
Remittances	Immigrants use income to purchase PCs for families in their home country	M	M	M	H	H	H	<ul style="list-style-type: none"> Already aligned to bettering their families' lives Difficult to manage transactions and payment processes across borders
Micro-finance	Micro-loans enable PC purchases by small businesses and small-scale entrepreneurs	H	H	M	H	M	H	<ul style="list-style-type: none"> The micro-financing model has been proven in other industries and products Micro-financing models and methods developed to date have not been designed for relatively larger loans required for PC purchase

