NTF4Ag: Emerging Lessons and New Frontiers

MEDA INNOVATE Online Learning Event
March 25-26, 2020
INNOVATE

exploring non-traditional finance in promoting agricultural innovation adoption by smallholder farmers
The Problem

500M households
2.5B individuals
Smallholder Farmers Worldwide

USD 240 BILLION DEMAND
USD 170 BILLION GAP
USD 70B SUPPLY
70% global demand unmet

Global Agricultural Productivity
Average annual growth rate: 1.63%
Low-income countries: 1.00%
Potential Solution(s): Leverage Research

**PHASE 1**
Proof of Concept
Regional Symposia
Consultation with Experts

**PHASE 2**
Research in 3 regions
Capture and share results + lessons

2016

2017-2020
Potential Solution(s): Leverage Research

FINANCE

INNOVATION ADOPTION

scalable and sustainable agricultural transformation
INNOVATE Overview

10 PARTNERS
3 advisory firms, 3 INGOs
2 non-bank finance firms
1 MFI, 1 MFI association

3 REGIONS, 8 COUNTRIES
Bangladesh, Nepal, Pakistan, Kenya, Rwanda, Malawi, Peru, Bolivia

8 NEW OR IMPROVED BUSINESS/SERVICE PROVIDER MODELS
- NCC registry system
- VLSA + Farmer Field School model
- Ag products on credit
- Bundling finance + non-financial services

3 NEW OR IMPROVED FINANCE PRODUCTS
- Wholesale ag loan (Nepal)
- Ag loan (Bangladesh)
- Weather-based insurance (Bangladesh)

USD $500K TOTAL VALUE MOBILIZED FOR AG INNOVATION

20+ AG INNOVATIONS
- Drying canvas, grain silos, drip irrigation, improved seeds, water tanks, pressure sprayer, hail nets etc.
Research Partners

I-Dev International
Unlocking Business Potential in Emerging Markets

Pakistan Microfinance Network

World Relief

CIDRE IFD
Institucion Financiera de Desarrollo

Care

Global Canopy

AGRI-WALLET

ATL

iDE

COIN22

Bidhaa Sasa

Impact Payments
Learning Themes

How can customer-centric principles and practices influence the design and deployment of products and services that meet the smallholder customer needs and demands?

What do smallholder farmers value and what are they willing to pay for?

How do social norms, power dynamics and market factors impact smallholder household agricultural decision-making alongside competing household needs?

How can governments, regulators and financial institutions learn and adapt in light of emerging trends and disruptions (technology, climate change, migration etc.) that are transforming markets?
CUSTOMER CENTRICITY

1. Experimentation is a simple yet powerful way to generate useful insights about smallholder customer segments.

2. It’s not a destination, it’s a journey.
Credit alone is not enough – quality inputs, information, services and trusted relationships are critical and valuable for farmers.

Appreciate the business case from the farmer’s perspective: markets matter and so does net revenue.
Decisions by smallholder farmers are not solely driven by revenue growth.

Integration & understanding of social norms insights on women’s roles and realities can better enable the ag-finance sector to better serve women and families as viable customers.
Effective collateral reforms require an enabling environment and agricultural finance ecosystem actors that complements, coordinates and innovates.

Financial products and instruments paired with policy and programs to support rural transformation are necessary to combat climate change.
Speakers

Lili Delwaide
Consultant
Agronomy Technology Limited

Luke Colavito
Senior Economist
iDE

Rocio Perez Ochoa
Co-founder/Director
Bidhaa Sasa

Kallisse Dent
Researcher
World Relief

Mauricio Moscoso
Head of Risk
CIDRE IFD
The Chithumba Model

Lili Delwaide

25 March 2020
Context

- Country: Malawi
- Project Type: Case Study
- Product: The Chithumba model

- Pre-harvest finance for farm inputs
- Agricultural extension services
- Marketing assistance
**Case-study Objectives**

*To assess the demand and level of adoption of the Chithumba services and to understand the key drivers behind both.*

<table>
<thead>
<tr>
<th>Service</th>
<th>Demand</th>
<th>Adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-harvest finance for farm inputs</td>
<td>Retention Rate, Stated Demand</td>
<td>Repayment Rate</td>
</tr>
<tr>
<td>Agricultural extension services</td>
<td>Stated Demand</td>
<td>Implementation of the recommended practices</td>
</tr>
<tr>
<td>Marketing assistance</td>
<td>Stated Demand</td>
<td>Use of ACE services</td>
</tr>
</tbody>
</table>
## Key Results

<table>
<thead>
<tr>
<th>Service</th>
<th>Demand</th>
<th>Adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-harvest finance for farm inputs</td>
<td>+++</td>
<td>90% +</td>
</tr>
<tr>
<td>Agricultural extension services</td>
<td>+++</td>
<td>21%</td>
</tr>
<tr>
<td>Marketing assistance</td>
<td>+++</td>
<td>21%</td>
</tr>
</tbody>
</table>
## Drivers & Bottlenecks to Adoption

<table>
<thead>
<tr>
<th></th>
<th>Agricultural extension services</th>
<th>Marketing assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Understanding the service</strong></td>
<td>Yes</td>
<td>Not fully</td>
</tr>
<tr>
<td><strong>Trust and desire to change habits</strong></td>
<td>Yes</td>
<td>Lack of trust</td>
</tr>
<tr>
<td><strong>Ability to adopt</strong></td>
<td>Limited</td>
<td>Unclear</td>
</tr>
</tbody>
</table>
INNOVATE Learning Themes

1. REFINE AND SEGMENT
2. ENABLE
3. UNDERSTAND
Contact

adelwaide@icloud.com

Full Case-Study available on:
www.meda.org/innovate
Improving Agricultural Innovation & Household Food Security through World Relief Programs

Interactions between Non-traditional Finance Model of Village Savings and Loans Associations and innovation uptake by smallholder farmers through the Farmer Field schools Model

Kallisse Dent (Researcher, World Relief)
World Relief Programs

Savings for Life: A Village Loan and Associations Model

Agriculture for Life: A Farmer Field School Model
Do Savings for Life or Agriculture for Life, independently or jointly, improve agricultural innovation and downstream outcomes?
Program Impact Pathway Derived from the Literature

Agriculture for Life (FFS)
- Knowledge of Improved Agricultural Techniques
- Access to Savings & Loans
  - Non-Agricultural Entrepreneurship
  - Security & Resilience
  - Crop Diversity
  - Crop Production
- Savings for Life (VSLA)
  - Household Food Security
  - Diet Diversity
**Study Design**

**Baseline Data Collection**
- SFL & AFL
- AFL Only
- SFL Only
- No Intervention

**Start Intervention**
- October 2018

**Data Collection**
- September 2018
- September 2019

**1 Year of Intervention**

- **Eligibility Criteria:** A small-scale farmer that belongs to one of Rwanda’s two lowest Ubudehe (poverty) categories
- **Data Collection:** Randomly Sample 150 households from the SFL & AFL groups, and 75 from each of the other group types.
Results

The impact of each program was assessed using a differences in differences regression model that accounts for geographic clustering at the village level and adjusts for wealth quintile, maximum education within the household, and the age and sex of the head of the household.
On average, those participating in AFL & SFL used 1.94 (95% CI: 1.48, 2.55) times more innovative agriculture strategies than those that did not participate in either program and used significantly more innovative agriculture strategies than participants only in AFL or SFL.

Both participants in AFL & SFL, and AFL only showed statistically significant improvements in the agricultural innovation locus of control. There was no significant difference between AFL & SFL participants and AFL only participants.
Program Impacts on Dietary Outcomes

- Households participating in AFL & SFL had a 7.69 (95% CI: 2.11, 27.9) higher odds of household food security when compared to those without participation in either program, and 4.12 (95% CI: 1.00, 16.95) higher odds when compared to those participating only in AFL.

- Children of households participating in AFL & SFL consumed 2.00 (95% CI: 1.12, 3.56) times the number of food groups consumed by the SFL only group, and households in AFL only groups consumed 1.87 (95% CI: 1.09, 3.19) times the number of food groups consumed by those in SFL only.

- Women of households participating in AFL & SFL consumed the most food groups and had the highest odds of meeting minimum diet diversity requirements across all the groups.
Program Impacts on Self-Reported Economic Improvement

- A household participating in \textbf{AFL & SFL} had a \textbf{9.45 (95\% CI: 3.20, 27.9) higher odds of reporting an economic improvement} when compared to those without participation in either program.

- Participants in AFL & SFL had a higher odds of reporting an economic improvement in the last year when compared to SFL only or AFL only groups.

- Participants in AFL only, but not SFL only, had a significantly higher odds of reporting economic improvement than those in neither program.
Program Impact Pathway Revisited

- **Agriculture for Life (FFS)**
  - Knowledge of Improved Agricultural Techniques
  - Nutrition Education & Joint Decision Making
  - Agricultural Investment & Innovation
  - Education & Capacity to Invest in Nutrition

- **Savings for Life (VSLA)**
  - Access to Savings & Loans
  - Security & Resilience
  - Non-Agricultural Entrepreneurship

- **Crop Production**
- **Crop Diversity**
- **Diet Diversity**

- **Household Food Security**
Conclusions

PROGRAMS

Farmer Field School Model + Village Savings and Loan Association Model

DIRECT IMPACTS

• Savings & capacity to invest
• Nutrition & Agriculture Education
• Women’s Empowerment (Joint Decision Making)

DOWNSTREAM OUTCOMES

• Agriculture Innovation
• Economic Improvement
• Household Food Security & Diet Diversity
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https://worldrelief.org/rwanda
Nepal Experience Sharing

Adoption of Agricultural Innovation through Non-Traditional Financial Services (NTFS) in Nepal

Luke A. Colavito, Senior Economist, iDE
Project overview

- **Context:** Nepal is characterized by weak markets. iDE Nepal has developed the last mile commercial pocket approach (CPA) over the last 15 years.
- **Key Partner:** Muktinath Bikas Bank
- **NTFS products:** (1) Develop a wholesale loan to rural collection centers to manage non-collateral small farmer climate smart agricultural loans supported by last mile agro agents (CBFs) (2) Develop collection center managed crop insurance where farmers use the loan to pay the premium.
- **Project Period:** 20 months (April 1, 2018 to November 30, 2019)
Utilizing community managed collection centers to act as “business correspondents” on behalf of a commercial bank will profitably increase smallholder access to rural finance and crop insurance and enable adoption of innovative technologies and technical support to improve productivity and returns.
Specific hypothesis

1. Male and female loan farmers will have higher adoption rates of improved agriculture technologies including high quality seed, drip irrigation, IPM technologies, high tunnels, and water pumps compare to farmers without loans.
2. Women farmers will have higher adoption rates of the improved technologies when they work with women CBFs (sales agents).
3. Male and female farmers will have higher adoption rates of improved technologies when risk is mitigated through the provision of crop insurance.
4. Increased annual average income of the HHs.

MOU Signing with Muktinath Bikash Bank
Results to date

- **Business Models.** Developed for collection center wholesale loans and crop insurance.
- **Capacity.** Developed the capacity of 6 collection centers (48 staff) and 7 last mile supply chain Community Business Facilitators (CBFs) to support crop loans and insurance.
- **Impacts:** Facilitated 1,014 small farmer loans (value over $200,000) and over 300 farmers purchased crop insurance with 82% female participation and repayment of all loans.
Project Outcomes on Hypothesis

- **Technology Adoption.** Male and female farmers with finance and loans: 57% higher adoption of improved climate smart agriculture technologies. (Significant at 95% Level)

- **Increased Income.** NTFS farmers' annual vegetable income increased by over 3.2 times to ~$USD 782/year. (Significant at 95% Level)

- **Empowerment.** Women farmers working with female sales agents adopted more technologies (2,589) compared to male sales agents (1,433)

- **Insurance.** Male and female loan farmers have 23% higher adoption of improved technologies when risk is mitigated through crop insurance.
Smallholder Household Decision-making Case Study Women’s Empowerment: Dipa B.K.

- As a first-time commercial farmer Dipa earned about NPR 13,500 (USD 110).
- Dipa noted this was her only local opportunity to earn income and “it’s much easier to spend money on the children and myself” from the income she earned from vegetables.

Dipa B.K. Dhikurpokhari Kaski District.
Women’s Empowerment Case Study

Laxmi Kumari Dawada is a small farmer from Bhedabari, Kaski. She received a loan facilitated through her local collection center. She utilized climate smart tech, a tunnel to protect from excessive monsoon rain/hailstones, IPM, drip, and improved seeds.

She earned NPR 110,000 ($946) and notes the collection center was very important for giving her confidence to be commercial and notes “Before she used to ask her husband for money, now he asks her.”
Learning, Impacts, And Way forward

- **Crop Finance.** Muktinath Bikas Bank after substantial due diligence endorsed a new NTFS, a **business correspondent model** to use collection centers to manage Small Farmer loans. This reduces bank costs, lowers interest rate, to tech support, increases collection center income as an e-branch. Muktinath and other banks are working with iDE to scale the approach.

- **Insurance.** Collection center pilot crop insurance was successful and has attracted the interest of insurance crops to use collection centers as insurance agents.

- **Impacts.** Crop finance and insurance is key to coping with Climate Change. The approach supports local institutions and empowers women and the disadvantaged.
Contact

Luke A. Colavito (PhD), Senior Economist, iDE
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website: www.ideorg.org,
www.idenepal.org

Thank You !!

Presentation photos by Bimala Rai Colavito, iDE Volunteer

Video: Developing Collection Center
Financial Services in Nepal
Non-conventional collateral (NCC) to leverage innovation capital for smallholder farmers in Bolivia

Mauricio Moscoco (Head of Risk, CIDRE IFD)
Introduction

• The speaker: Bolivian, 37, Head of Risk at CIDRE IFD.

• CIDRE IFD (Bolivia): Private and non-profit social development institution, Founded in 1981, Microfinance, ≈ $us. 140MM loan portfolio (54% agro.).

• The project:
  • Develop, validate and standardize the registration, valuation and monitoring of the assets that have small rural producers (usable as NCC).
  • 4 components: Learning from past experiences, developing an MVP for NCC registration, Pilot with experimental lending operations, and key learning analysis.
  • Background: Law 393 (NCC); BDP (public bank); CIDRE IFD (experience)
Hypothesis and research questions

• Hypothesis:

NCC backing capital lending + implementation of the required legal regulatory setting = farmers accessing capital.

• Research Questions:

i) How to formalize and build an adequate regulatory environment in which smallholder farmers can use NCC to back lending operations, and

ii) How to make private-public partnerships work and tackle sector-level development challenges.
Key results

• Empirical evidence review seems to validate the hypothesis: NCC $\rightarrow +$ relation with access to finance.

• Clients and loan officers: positive feedback on registry (Minimum Viable Product, MVP) usage.

• Risk perception: the main limitation for the “collateral type–access to finance” channel are the difficulties imposed by the judicial system.

• A formal asset or collateral registry is not the only condition for improving access to finance through NCC. Major reforms needed on asset recovery for financial institutions.
Clients and piloting the MVP

As of October 2019, CIDRE IFD has 18,720 clients, of which 37% are women. 50% of total clients are in rural areas and 20% back their loans with non-conventional collateral. Pilot: 11 experimental lending operations.
Customer centricity/human-centered design

• Customers enthusiastically embrace innovations that can bring immediate and explicit solutions to their problems, and demonstrate willingness to help.

Smallholder products and services

• They need flexibility in product design, which facilitates a reassessment of implicit risk.

Policy/regulatory transformation

• Deeper reforms are needed to influence innovation and, primarily, to activate the “collateral type–access to finance” channel.
Product testing and diversification of Bidhaa Sasa's range of products sold on credit

Rocio Perez Ochoa (Co-founder/Director)
The problem and Bidhaa Sasa’s model

The problem

Rural women in Kenya lack access and cannot afford existing ag. technologies

Bidhaa Sasa

Last-mile distribution and finance

Ad-hoc women groups, Tupperware style

Household goods including farm tools
Non-traditional finance and adoption of agricultural technologies

1- Will our distribution and finance model work for the adoption of agricultural innovation, in particular ag. tools, amongst rural women farmers?

2- Will rural women buy and pay on time for a range of ag. tools?
Results and Lessons Learned

Results

<table>
<thead>
<tr>
<th>Product</th>
<th>Men and Women</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canvas + 4 bags</td>
<td>3000</td>
<td>2300</td>
</tr>
<tr>
<td>Silos</td>
<td>80</td>
<td>60</td>
</tr>
<tr>
<td>Water Tanks</td>
<td>330</td>
<td>250</td>
</tr>
<tr>
<td>Sprayers</td>
<td>70</td>
<td>40</td>
</tr>
</tbody>
</table>

- 70% of the buyers are women, they pay for it themselves and they use it themselves
- Good repayment behaviour (PAR30 ~ 5%, 98% repayment rate)

Lessons learned

- Very limited knowledge of existing agricultural technologies
- Traditional finance not available to rural women (only business loans, ticket size $500+)
- Women play an active role in deciding which technologies are bought in the households
- Peer to peer learning is critical in the adoption of these technologies
- Transportation of large items to end user still a challenge
INNOVATE Learning Themes

• **Customer centricity:**
Understanding needs of customers to offer tailor made solutions that solve ALL the bottlenecks: lack of finance, lack of information, lack of transportation

• **Smallholder household norms:**
Role of women in decision making is often misunderstood, Bidhaa Sasa successfully and consistently targets women with a range of goods that have been traditionally perceived as a “man’s business”

• **Adoption factors:**
1 - Added value services beyond the tech itself: credit, education, delivery
2 - Perceived benefits of innovations and technologies: they must make their work easier and more convenient AND save time and/or money

• **Policy and regulatory transformation:**
Sadly, Bidhaa Sasa has “to do everything” from finance, to delivery to education
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Research Lightning Talks

Day 2 – March 26, 2020
Speakers

Patricia Chin-Sweeney
Managing Director
I-DEV International

Maruf Azam
Coordinator – Krishi Utsho
CARE Bangladesh

Vyone Ming’ate
Project Manager - Agriculture
Dodore Kenya Ltd.
Mobile Money & PAYG Innovation to Scale AgTech Adoption in the Smallholder Value Chain
Our Thesis

PAYG is the gateway to unlocking agtech innovation.

- Cajamarca, Peru
- APTN (taura farmers coop)
- BIM, Solar Irrigation Pumps
• Do farmers use BIM? Would they?
• Do they want solar irrigation? Any irrigation?
• Why don’t they use these tech solutions today?
• What could change that?
Where We Started...

<table>
<thead>
<tr>
<th>N° of producers</th>
<th>Average N° of hectares / farmer</th>
<th>Average N° of tara trees / farmer</th>
<th>Average Total Production per year (kg.) / farmer</th>
<th>Average production per tree/per year (kg.) / per farmer</th>
</tr>
</thead>
<tbody>
<tr>
<td>78</td>
<td>1.7</td>
<td>554.2</td>
<td>1,086.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

6388 kg/ farmer potential  
11.8 Kg/ tree potential

6x yield potential in tara alone!!

And Now.

5 top farmers  
$2,500 avg  
18-months; 13% interest  
2.7 ha avg
What We Learned...

BIM could be the solution,

But 1\textsuperscript{st}...

We must address these key innovation barriers.
INNOVATE Learnings

Customer centricity:
- Start at innovation from the farmer perspective

Smallholder products and services:
- Choose your priority innovation because you can’t choose all!
- Map a day in the life
- Max. 3 yr payback period; familiar payment structures

Smallholder household decision-making:
- All decisions are family decisions
- All decisions are linked to other decisions

Policy and regulatory transformation:
- Subsidy for early adopters & providers
- Government as a PAYG 1st mover
- Open the gates to fintech competition
- Invest in key infrastructure challenges- mobile money, last mile distribution
Innovation is built upon small steps - and with time.

Thank You.

Contact

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Engagement of Financial Institutions for Farmers

Non-traditional Financing

26 March 2020
Context

Labor force in agriculture: 48%
Smallholder farmers: 17M

Key Challenges for Smallholder farmers

- Low Productivity
- Low Income
- Weather Shock
- Limited Access to Quality Inputs
- Lack of Information
- Limited Access to Service
- Unavailability of Technology
- Limited Access to Finance
Challenges and Gaps in Agro-finance

- Limited access to formal financial institutions
- High interest rate & heavy collateral embedded loan from Local MFI
- Unsuitable loan repayment cycle
- Limited financial products offered by formal financial institutions
Krishi Utsho is an emerging **agro-based social enterprise** that ensures access to quality agricultural resources at last-mile farmers’ doorsteps through developed supply chain mechanism.

KU has introduced a **non-traditional financing** scheme incorporating loan and insurance facility to the rural farmers to **increase** their **productivity**.
KU Non-traditional Financing Model

- Bank
- Insurance Company
- Krishi Utsho

Collaboration

Access
- Agro Loan
- Insurance Services
- Quality Input
- Information

Literacy
- Capacity Building Training
- ICT Services

Monitoring
- Practice
- Production
- Income

- Bank
- Insurance Company
- Krishi Utsho
Project Hypothesis

Nesting both commercial banking and insurance services into the existing Krishi Utsho value chain will improve the financial stability and livelihoods of smallholder farmers

Test-1: Tripartite collaboration among Bank, Insurance company and Krishi Utsho

Result-1: A successful tripartite collaboration has been done

Test-2:

Result-2: As the loan has been disbursed in November 2019, the result is still unmeasurable
## Key Results

<table>
<thead>
<tr>
<th>Key Achievements</th>
<th>Total Number</th>
<th>Total Number of Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Formal Bank Account</td>
<td>206</td>
<td>83</td>
</tr>
<tr>
<td>Farmers Availing Loan</td>
<td>81</td>
<td>26</td>
</tr>
<tr>
<td>Farmers Availing Insurance Services</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Financial Literacy Training</td>
<td>114</td>
<td>35</td>
</tr>
<tr>
<td>Designed Loan Product</td>
<td>Agro Loan</td>
<td></td>
</tr>
<tr>
<td>Designed Insurance Product</td>
<td>Crop Insurance</td>
<td></td>
</tr>
<tr>
<td>Last mile Agent</td>
<td>13</td>
<td>4</td>
</tr>
</tbody>
</table>
Awareness and Access to Financial Institutions

- **Aware of Banks / Financial Institutions**: 76% (Baseline), 100% (Treatment)
- **Have a bank account**: 59% (Baseline), 100% (Treatment)
- **Have any savings/deposit plans with a bank**: 68% (Baseline), 77% (Treatment)

**Aware of Insurance**

- **Crop/livestock/aquaculture protection Insurance**: 25% (Baseline), 78% (Treatment)
- **Aware of Insurance**: 63% (Baseline), 83% (Treatment)
Surprising Learning

Rural Farmers
- Looking for freedom of choice on usage of loan
- Expects payback from insurance once matured
- Expects faster processing without documentation
- Women farmers face challenge in expense decision

Private Bank
- Cross industry competition between the Bank and Insurance
- Bureaucratic complexity in loan processing system
- Lack of mechanism for on time service delivery to the last mile
- Collateral & trust issue

Insurance Company
- Limited Product options
- Financial Feasibility of the product
- Less experienced in working with last mile farmers
- Commercial attitude towards smallholder farmers
INNOVATE Learning Themes

**Customer Centricity**
- One stop solution
- Reputation in community

**Smallholder Household Norms**
- Male member takes decision
- The easier, the better

**Adoption Factors**
- Price and Flexibility
- On time delivery

**Policy & Ecosystems Change**
- No monitoring on policy
- Private Sector is demotivated
Journey Map Videos

1. Insurance Journey Map
2. Loan Journey Map
3. Organization Journey Map
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www.krishiutsho.com
Innovation-Wallet learning project
26th March, 2020
The Innovation wallet

• How do we increase uptake of financial services for smallholder farmers to increase productivity?

• The experiment was to test how willing farmers are to take up innovative nontraditional financial services to purchase farm innovations to increase farm productivity

• Vyone Ming’ate, project Manager-Dodore Kenya Ltd(Agri-wallet)
Hypothesis

- Farmers are willing to open an Innovation-Wallet

- Farmers with an Innovation-Wallet will save/borrow to buy innovation
## Results to date

<table>
<thead>
<tr>
<th>Anticipated results</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 100 farmers open an I-W account</td>
<td>Opened &gt;100%</td>
</tr>
<tr>
<td>• Saved in their wallet (60%)</td>
<td>Saved &gt;100%</td>
</tr>
<tr>
<td>• Borrow in their wallet (30%)</td>
<td>Borrowed &gt;100%</td>
</tr>
<tr>
<td>• Buy an innovation with their wallet savings/loan (50%)</td>
<td>Bought &gt;100%</td>
</tr>
<tr>
<td>• Farmers are willing to save, borrow, purchase and use innovations if they believe that their production will increase</td>
<td></td>
</tr>
<tr>
<td>• Innovations will mostly likely give returns outside the project period. Cost of certified seed might be recouped in subsequent crop calendars as farmers recycle seed</td>
<td></td>
</tr>
<tr>
<td>• Improved seed varieties present the quickest/immediate way of improving yields and production compared to capital investments</td>
<td></td>
</tr>
</tbody>
</table>
Learning Journey

• Financial requirements are different depending on value chain hence need for tailored approach

• The target customer/segment needs CAPEX. How can Innovation-Wallet provide this whilst de-risking the farmer?

• Farmers highly impacted by weather – Insurance included in all products since Jan
‘The fruits’
• **Customer centricity:** This is done by understanding the segment then packaging products appropriately. A smallholder farmers needs are different from any other borrower

• **Smallholder household decision-making:** A farmer is bombarded by competing needs. Fungibility of money means high possibility of diversion. AW supports farmers to ensure financial discipline that is very important for project success

• **Smallholder products and services - adoption factors:** Simple technology, AW SMS based, interactive, increased income Investment in training

• **Policy and regulatory transformation:** It is important to consider a holistic approach in sustainable Agri-development. Farmer support is better with multi-stakeholder approach. PPPs will more likely support the farmer better than fragmented efforts
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https://dodore.co.ke/agri-wallet/
Thank You!

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