

5. Data platforms for inclusive finance and food

Moderator

Laure Wessemsius-Chibrac, Managing Director, Cordaid Investment Management BV

Speakers

- Alexandre Kabre, Chairman, Ecodata West Africa
- Dr. Benjamin Addom, ICT4D Programme Coordinator, CTA
- Eelko Bronkhorst, Partner, Financial Access
- Kaushik Ramakrishnan, Program Manager First Mile, UTZ

This workshop was intended to raise discussions and spread knowledge about current business models for the (online) platforms that provide (open) data relevant to different stakeholders in order to promote food security.

The discussion started with a brief introduction of each speaker.

Alexandre Kabre

EcoData West Africa, has been selected to improve and ensure sustainability of information platform in a public-private partnership status. So, he has created AgriData-BF (www.agridata.bf) in July 2014 to provide relevant data to farmers and breeders towards an ICT4ag Hub/Platform via mobilephone (SMS and above all, a call center) using French and local languages taking into account the high rate of illiteracy in Burkina Faso. Helping to build the resilience of rural populations, AgriData makes it possible to contribute to the development of value chains and actors in the rural world through instant technical and commercial information. Improving the income of producers and the overall efficiency of the market.

Dr. Benjamin Addom

A consortium led by CTA is working to develop and market a bundle of agricultural information products through SMS and smartphone apps to enable Ugandan farmers to access satellite-based crop advice. The project, entitled the Market-led, User-owned ICT4Ag Enabled Information Service (MUIIS), will essentially provide agricultural extension advisory services to farmers by pulling all the right components together - the data, the knowledge and the information - through the appropriate technologies. But unlike traditional extension projects, MUIIS is promised to be more wide-reaching, with information and advice available at the swipe of a screen.

Kaushik Ramakrishnan

First Mile program at UTZ - a program that aims to connect directly with over a million Coffee, Cocoa, Tea and Hazelnut farmers across 35 countries by using digital tools and data. The First Mile is an innovation that aims to bring the benefits of best

practices in farm and farm group management, traceability and agricultural decision support at a low cost to small farmers and farmer groups. This program involves working with farm level software applications to be integrated with diverse information streams in supply chains. The main objective of the First Mile program is to further optimize certification and other services offered to farmers and other supply chain actors.

Eelko Bronkhorst

Financial Access Capital Partners (FA) is a financial services advisory firm active in emerging markets and developing economies. The main focus of FA is to enhance the operational, commercial and financial performance of their clients. They provide specialist know-how and operational advice, mobilise the necessary management resources and arrange debt or equity financing. Their clients include banks, non-bank financial institutions and companies, often working on behalf of investors or financiers.

The audience was really interested to understand **“who is paying for the costs of the information being provided?”** and **“how safe are for the farmers to share their data?”**

For Eelko the interventions such as drones; satellite data and; capacity development being used are costly. So they use baseline analysis to understand the impact of the investments and the yields. With the analysis it is possible to see that investments are able to increase the oil extraction rate by 40% and production for an average of 50 tons per hectare. Part of the investments comes from donors but in order for this to be scalable and to be replicable and manageable these costs should be absorbed by the farmer or by the loan. This way, banks find it acceptable because they know that once these trees become productive again, the much higher yield will make the repayment possible. So eventually the farmers will be paying for these costs.

Later on he also states that it is important that the farmers pay for the services, as it will help them to increase their income and yields. Since most of the farmers has seen a variety of initiatives and not many results they don't easily accept to pay for it, so an intensive work to show them whether these services will indeed lead to revenues at the end is of extreme importance.

The costs involved are not high, but it will vary depending on many different factors. It is usually 5-7% of the overall package in replanting finance. For example the total price of a replanting package of 2 hectares in Indonesia would be 15000 dollars (plus interesting rates).

Dr. Benjamin Addom: The first approach to the payments is by individual farmers and cooperatives that have subscribed to the program. It will depend on the relationship between the members and the cooperatives, possibly by the membership fee. The second approach is by providing services to international institutions (World Bank, UNDP) such as profile of farmers, mobile services, etc. The cost for the farmer is around 2-4 euros per season per acre in Uganda.

In regards to the safety of data sharing he says that they always leave it for the farmer to decide whether they can share their data or not and the satellite data is open for everyone.

Kaushik: The cost of certification is born by the wholesale buyers of the produce. Meaning that companies like Mars, Hersheys, Albert Heijn or Aldi pays for a more sustainable production of their products. So the cost is born by the B2B and not really by the smallholder farmer. And the smallholder farmers are rewarded for producing more sustainably by getting a certification premium.

Kaushik also agrees that the costs includes a lot of variables, but its around 2 euros per farm per year. Regarding the data he believes that after the farmers understand for goal of the database they are more open to share even with their competitors.

Alexandre: At this moment, Ecodata West Africa, is in the process of development of the project and technology so the payments are dependent on donors. However they are targeting to reach 200.000 end users in 2 years time so by the time they reach their goal the end users will be the ones paying for the services. They can also sell profile database of the end users to the partners if they. They also generate revenue by selling profile database of the end users to partners trying to reach end users for other projects.