BO3: Finance for food: how do geodata contribute to increased access to financial services?

The break-out session was opened by Albert Boogaard from the Rabobank Foundation who gave a short introduction on the topic. Hans Bogaard, from the Rabobank Development, acted as a moderator throughout the break-out session.

First, the CropMon (Kenya) project was elaborated on by three key speakers who are all involved in the project:

- David Marcellis – Soilcares
- Esther Muiruri – Equity Bank
- Albert Boogaard – Rabobank Foundation

Second, the CommonSence (Ethiopia) project was elaborated on by Teshome Dayesso from Busaa Gonafaa (MFI).

After this, a lively discussion took place in which a great number of questions and concerns were addressed.

In general, it can be said that, without a doubt, everybody acknowledged the importance and potential of geodata within the agri sector. Further, they acknowledged that geodata will also have a positive effect on access to finance. The main reasons for this being:

- Improved risk assessment capabilities (e.g. availability of relevant data)
- Lower risks due to improved yields
- Lower transaction and monitoring costs

The G4AW projects are expected to generate a dataflow within the next years and practical applications in credit approval processes and credit scoring will be within reach.

Furthermore, a great number of interesting insights were discussed, some of which demand further investigation.

- **Sustainable Business models:** there was quite some discussion about this topic. What kind of business model should be used and, more specifically, who is going to pay for the provided data? Although there was not a general consensus reached on this topic yet, a number of aspects arised that are considered to be essential for a model to succeed. The most important aspect is that the costs of information services providers should be covered and to achieve this, scalability is very important.
  One participant argued that as risks decrease by the use of geodata, risks costs as part of the pricing also decrease. Thereby, financiers should be willing to pay for the provided geodata or lower their interest rates to reflect the improved risk profile.
- **Data ownership:** Who should be entitled to what kind of data? Geodata, which are open source data, are accessible to everyone. On the contrary, it was argued that 'farm' data should be owned by the specific farmers. Individual farmers should be able to choose if they want to make their data available to, for instance, their advisor or financier. Furthermore, it was argued that it would be useful (e.g. for benchmarking purposes) if farmers spread their data on an aggregated level to, for instance, cooperatives.
- **Gap between scientific information and practical information for smallholders:** At the moment there is a large gap between scientific information and making this information practical for smallholders. This 'translation issue' should be addressed carefully and demands

the development of understandable applications on the one hand and capacity building of smallholders on the other hand.