
Prepared and Facilitated by:
On Feb. 10th, over 60 stakeholders in the East African coffee market convened at an access to finance expert workshop.

**Participants by Type of Organization**

<table>
<thead>
<tr>
<th>Type of Organization</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Implementer or NGO</td>
<td>21</td>
</tr>
<tr>
<td>Trader, Roaster, or Buyer</td>
<td>17</td>
</tr>
<tr>
<td>Network</td>
<td>8</td>
</tr>
<tr>
<td>Financial institution</td>
<td>7</td>
</tr>
<tr>
<td>Input Provider</td>
<td>3</td>
</tr>
<tr>
<td>Farmer organisation</td>
<td>3</td>
</tr>
<tr>
<td>Sustainability standard</td>
<td>3</td>
</tr>
<tr>
<td>Donor or DFI</td>
<td>2</td>
</tr>
<tr>
<td>Regulator</td>
<td>1</td>
</tr>
</tbody>
</table>

**Percent of Organizations with Presence in Country**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>68%</td>
</tr>
<tr>
<td>Uganda</td>
<td>59%</td>
</tr>
<tr>
<td>Kenya</td>
<td>51%</td>
</tr>
<tr>
<td>Rwanda</td>
<td>38%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>35%</td>
</tr>
<tr>
<td>Burundi</td>
<td>22%</td>
</tr>
</tbody>
</table>

1) Sum is greater than 100% because many organizations operate in multiple countries.

Source: Workshop registration list and participant survey.
The experts participated in an active, hands-on and collaborative process for a full day to develop input financing solutions.
Model #1: Regional Input Finance Fund (initially in Tanzania)

**Description**

- Create an input finance special purpose vehicle (SPV) that finances traders who then provide inputs to farmers
- At the end of the season, farmers sell their crop and repay the SPV (via producer organizations or traders)
- DFIs and an input provider offer a 20-50% first loss guarantee on the SPV which is also funded by banks and/or governments
- Technical assistance is delivered on the side to organize the value chain and train farmers
Model #1: Regional Input Finance Fund (initially in Tanzania)

**Stakeholders involved**

- **DFIs** (e.g., KFW, DEG, and IDH) seed the fund, cover first loss, and pay for technical assistance.

- **Input providers** (e.g., Yara) contribute to first loss fund and sell inputs paid for by the SPV.

- **Local governments** (e.g., Tanzania Coffee Development Fund) contribute to the SPV.

- **Guarantors** (e.g., PASS) provide a risk guarantee for banks in the SPV.

- **Banks** (e.g., CRDB, NMB, others) provide commercial capital to the SPV.

- **TA Providers** (e.g., HRNS, traders) train farmers and organize the value chain.
Model #1: Regional Input Finance Fund (initially in Tanzania)

Road Map

What to do now

• Conduct a scoping assessment and review results among potential participants (1-2 months at a cost of about $50,000)

What to do next

• Conduct a feasibility study (3-5 months at a cost of about $500,000)

What to do later

• Set up the fund (5-7 months)
Model #2: Mobile savings platform (initially in Uganda)

- Promote farmer savings through mobile banking technology
- Negotiate preferential savings interest rates on behalf of farmers
- By encouraging the habit of savings, farmers will have cash for inputs and other household needs
- Farmers can also transact safely with input providers and buyers through the platform
- Aim to launch three pilot projects with different stakeholders in different settings; encourage farmers to save 20% of their gross income
Stakeholders involved

- **Mobile operators** provide the mobile platform, and gain additional revenue/customers
- **Banks** provide the savings product and gain an increase in their capital
- **Input providers and buyers** transact with farmers safely and securely through the mobile platform
Model #2: Mobile savings platform (initially in Uganda)

Road Map

**What to do now**
- Develop an agreement between at least 3 buyers and 2 input providers on a standard curriculum
- Convince mobile operators and banks to participate

**What to do next**
- Convince farmers to receive payments on phones
- Set up incentive scheme to start savings (e.g., subsidized photos and TA)
- Financial literacy training
- Engage local services and businesses to accept mobile money
For more information or to get involved, contact:

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