



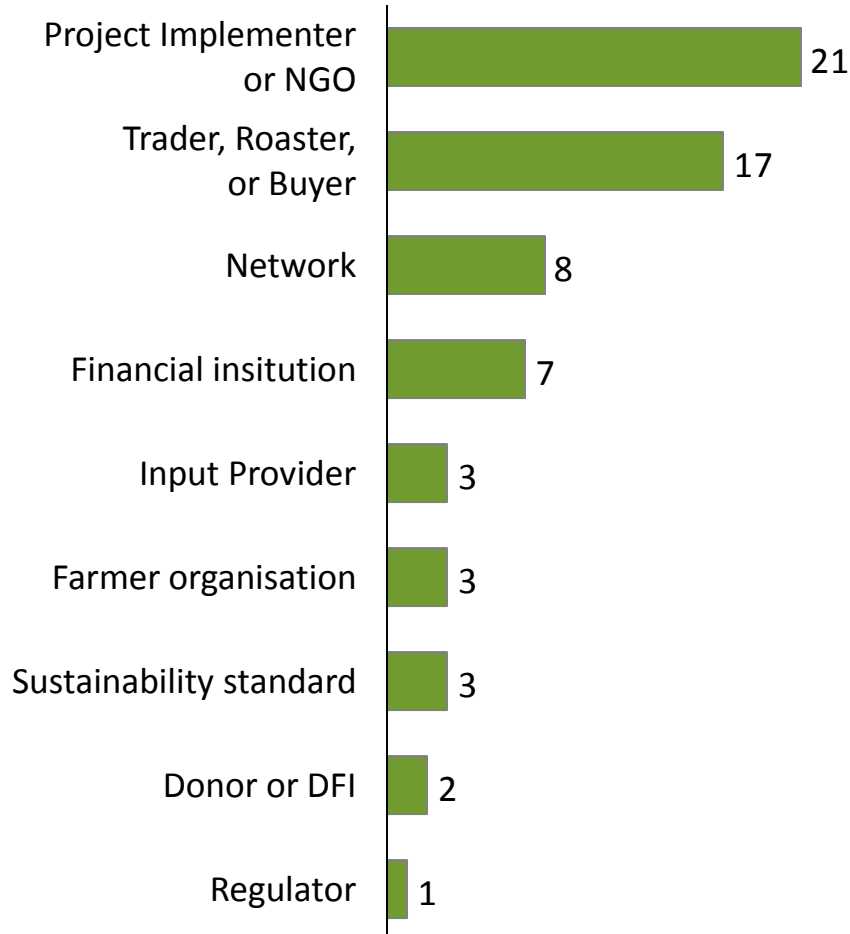
Report Back from the Expert Workshop on ‘Access to inputs for East-African coffee farmers – What role can finance play?’

Prepared and Facilitated by:

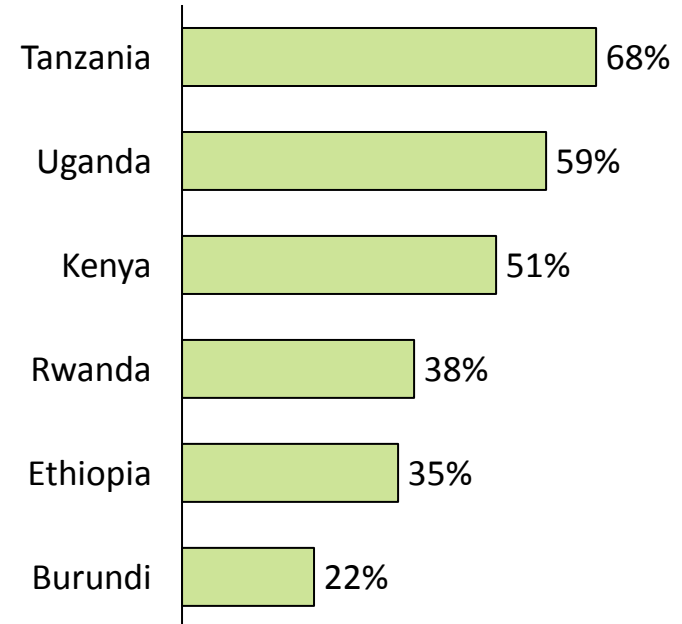


On Feb. 10th, over 60 stakeholders in the East African coffee market convened at an access to finance expert workshop

Participants by Type of Organization



Percent of Organizations with Presence in Country¹

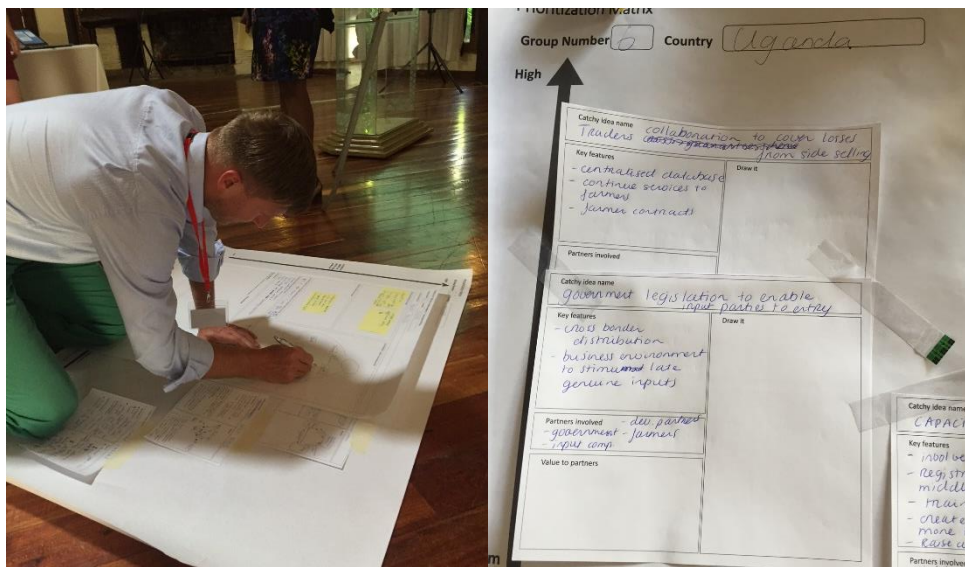


1) Sum is greater than 100% because many organizations operate in multiple countries

Source: Workshop registration list and participant survey



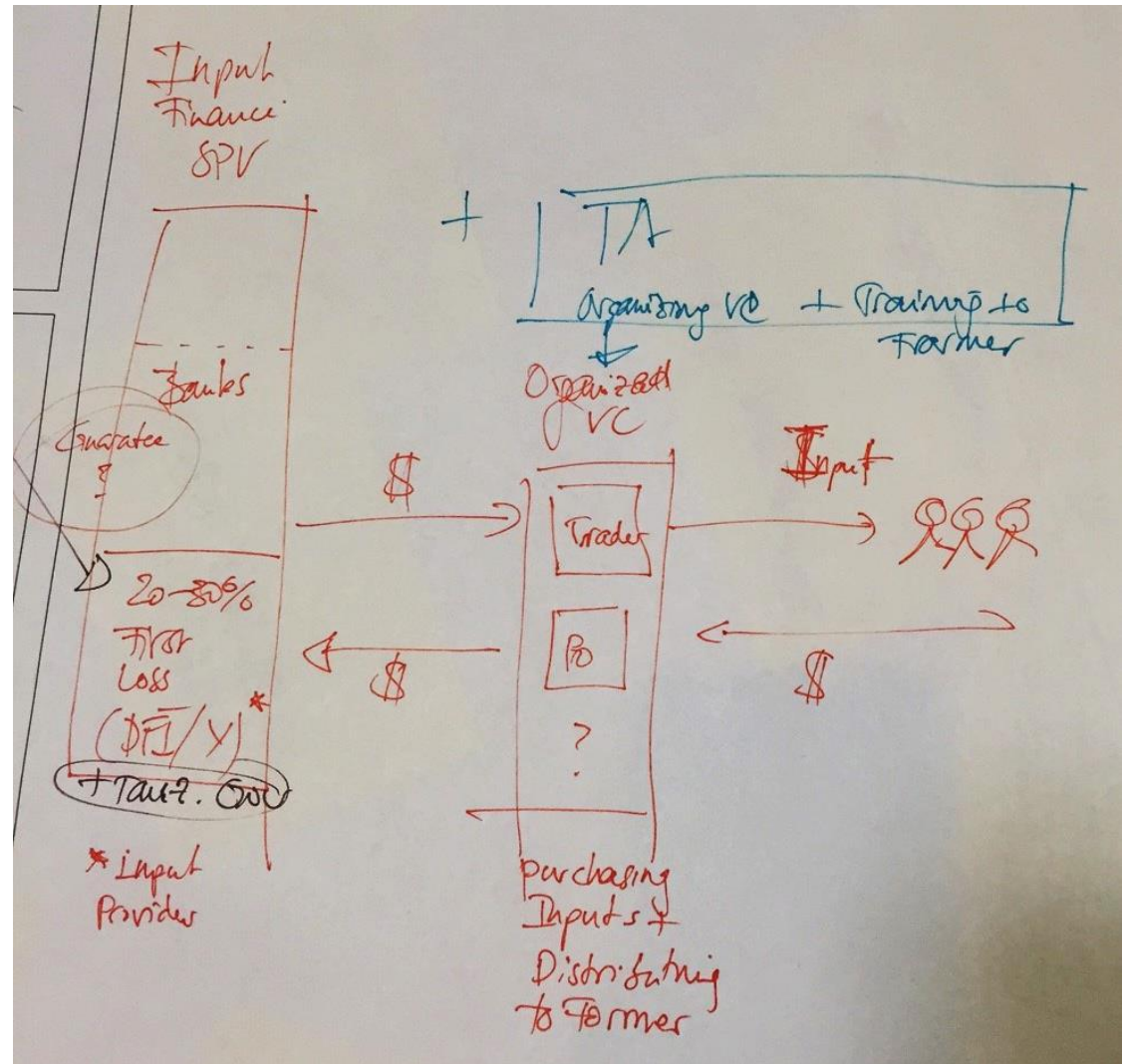
The experts participated in an active, hands-on and collaborative process for a full day to develop input financing solutions



Model #1: Regional Input Finance Fund (initially in Tanzania)

Description

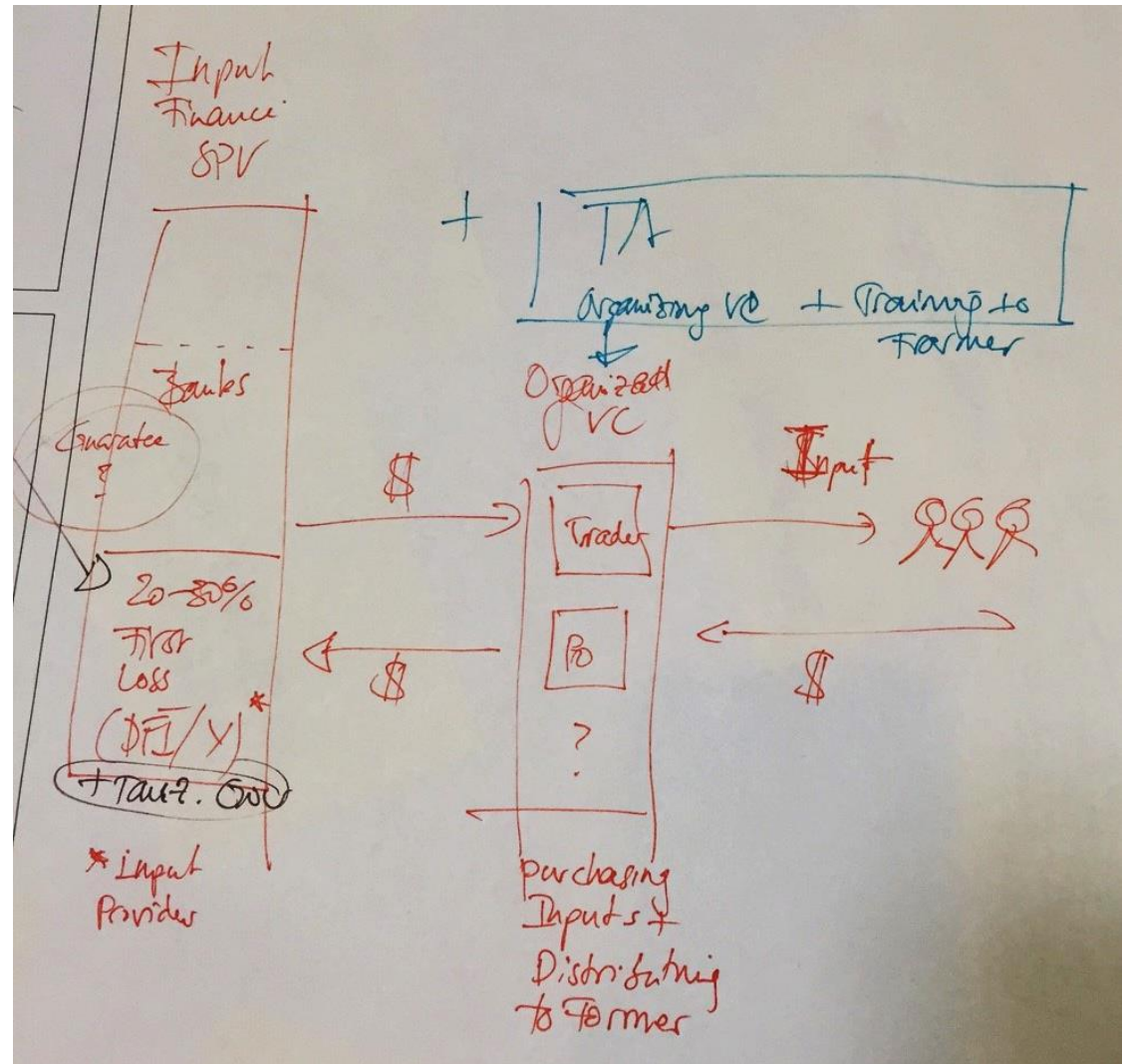
- Create an input finance special purpose vehicle (SPV) that finances traders who then provide inputs to farmers
- At the end of the season, farmers sell their crop and repay the SPV (via producer organizations or traders)
- DFIs and an input provider offer a 20-50% first loss guarantee on the SPV which 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

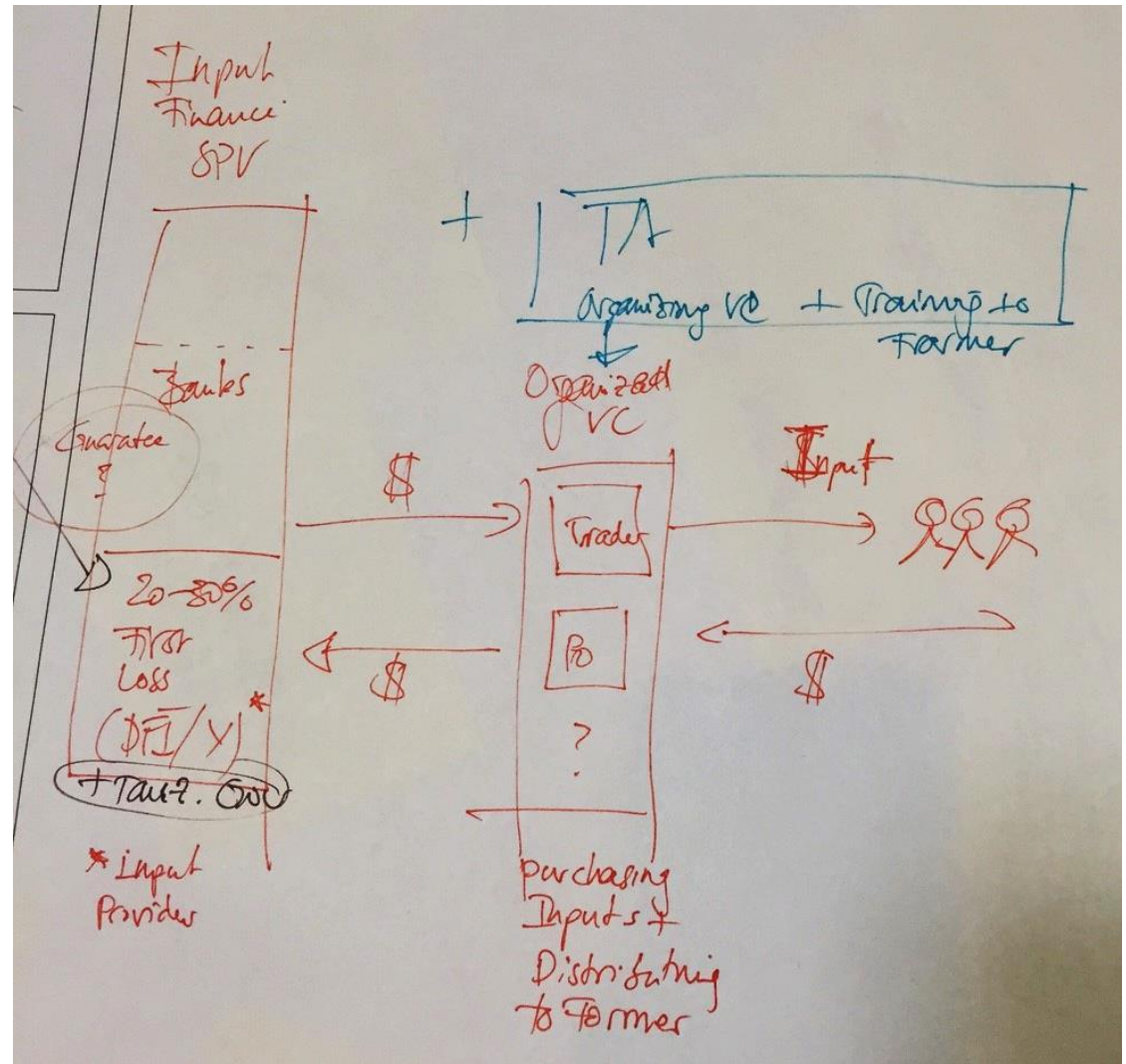
- Conduct a scoping assessment and review results among potential participants (1-2 months at a cost of about \$50,000)

What to do next

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

What to do later

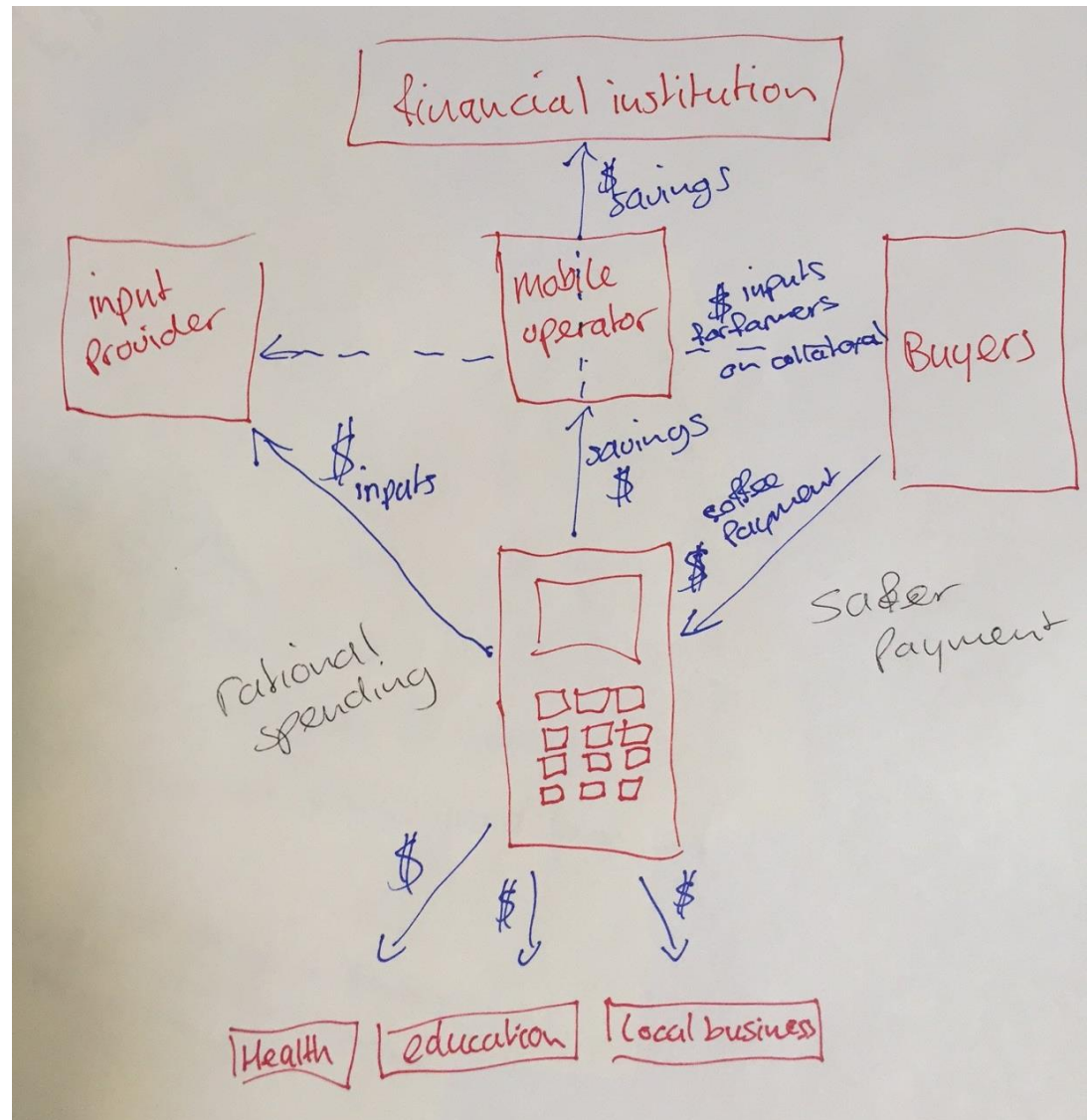
- Set up the fund (5-7 months)



Model #2: Mobile savings platform (initially in Uganda)

Description

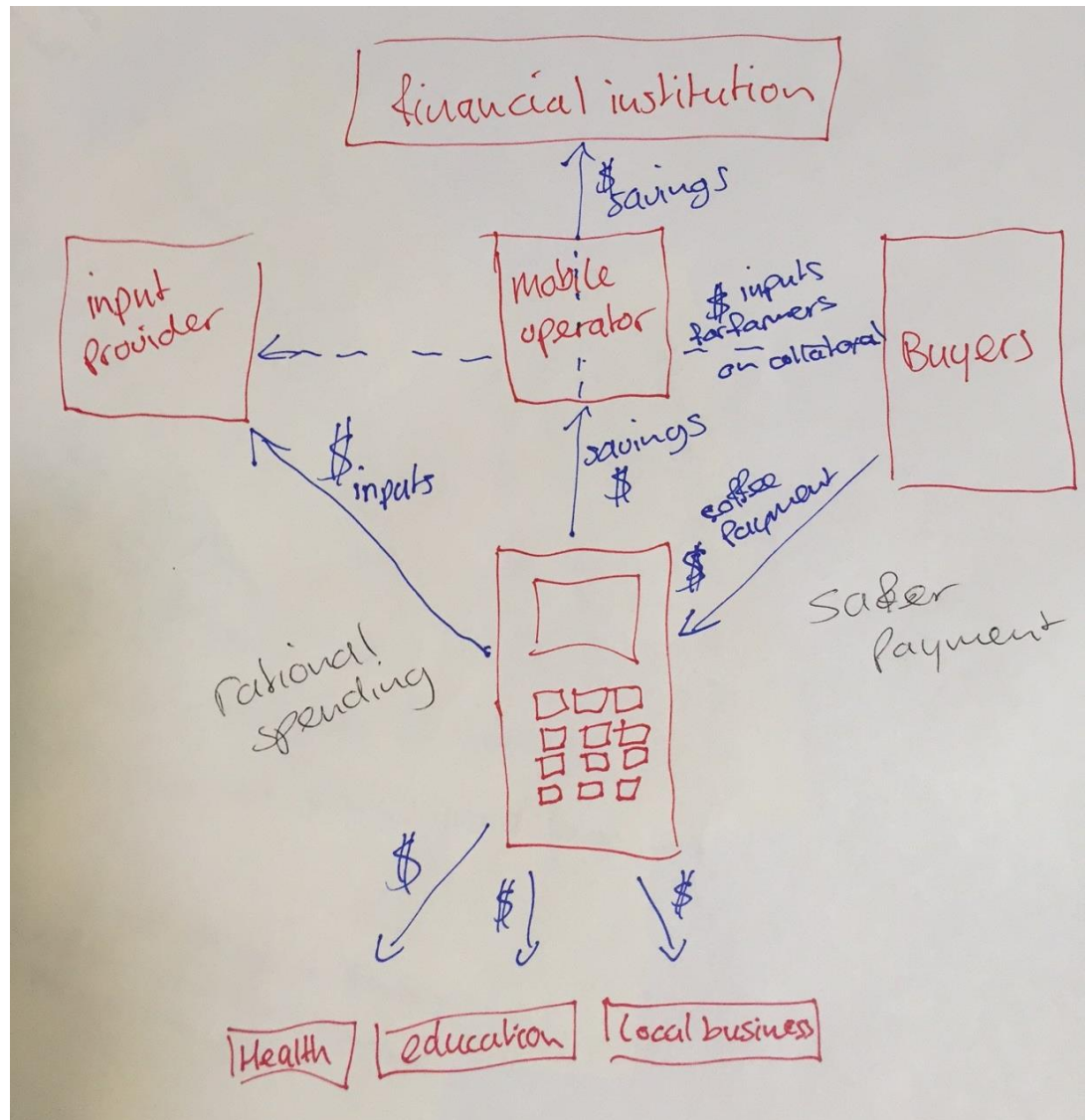
- Promote farmer savings through mobile banking technology
- Negotiate preferential savings interest rates on behalf of farmers
- By encouraging the habit of savings, farmers will have cash for inputs and other household needs
- Farmers can also transact safely with input providers and buyers through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



Model #2: Mobile savings platform (initially in Uganda)

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)

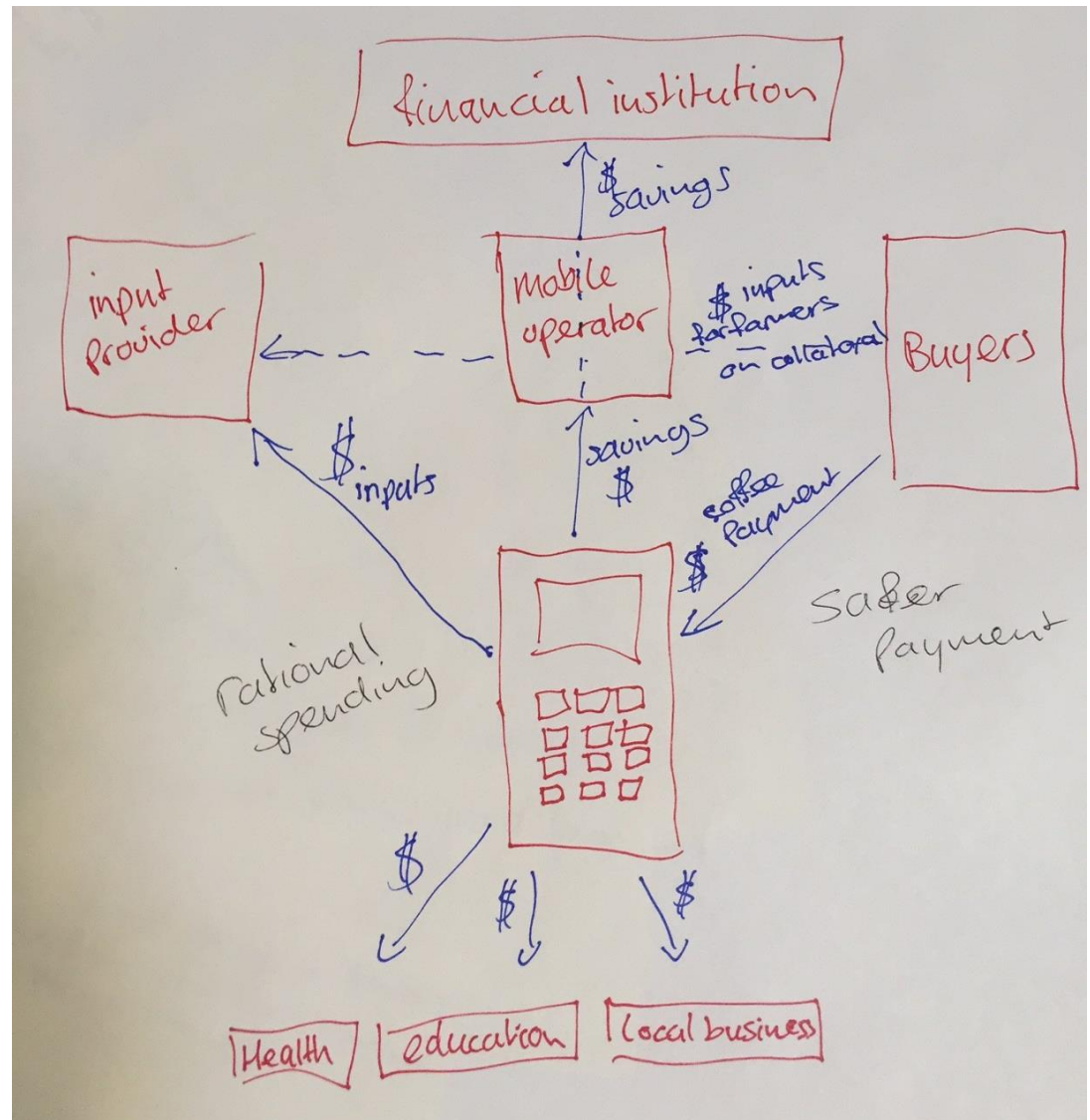
Road Map

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



To get involved...

For more information or to get involved, contact:

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