

**GFRAS GOOD PRACTICE NOTE FOR EXTENSION AND ADVISORY SERVICES**

# NOTE 3: Mobile-based “bundled” services: Example of Agri-Fin Mobile

Compiled by: Carol Kakooza

There is plenty of information available in the public domain that covers various aspects of extension and know-how about new methodologies for implementation. However this information is often scattered and presented in complex academic language. Hence practitioners, who often have very limited time and/or may only have basic formal education, find it difficult to make use of this information.

The Global Good Practices Initiative aims to bridge this gap by providing information about extension approaches and methods in easy-to-understand formats. As part of this effort, it makes “Good Practice Notes” available to all on a downloadable website. This Note contains one of the extension methods included in this series.

## Introduction

Smallholder farmers in developing countries face a number of challenges that impact their productivity and contribution to food security. These include lack of access to financial services (credit, savings, and micro-insurance) and limited access to rural advisory services. Over the years, there have been efforts to address these challenges to improve smallholder farmer productivity and contribution to food security. However, the lives of smallholder farmers have not significantly improved because only individual constraints have been addressed while others have been neglected. Mercy Corps realised that it was necessary to find an affordable, accessible way of providing services that addresses multiple challenges in sustainable business models.

## Agri-Fin mobile program Innovative implementation methodology: Mobile based bundled services

The Mercy Corps Agri-Fin mobile program provides a “bundle” of advisory and financial services plus market information to the smallholder farmer via the mobile phone. Through this approach the programme brings together players including banks, mobile network operators, smallholder farmer aggregators, rural advisory service providers, and platform hosting and content managers to build a comprehensive suite of services that addresses all the farmers’ constraints together. By using a new strategy called bundled services, the programme joins products and services together to provide a single combined unit on the mobile phone.

## Philosophy and principles

To build mobile bundled services, three key principles ensure success. These centre on partnerships for development:

- Firstly, multiple stakeholders should be engaged on the basis of shared values. Partnerships with both public and private sector players are critical; however, they should be based on critical capabilities and skills essential for the bundled services. It is also critical that the partners have established goals and commitment to contribute to the improvement of smallholder farmers’ livelihoods.
- Secondly, it is critical to identify a “product champion” who accepts ownership and drives the development and rollout of the bundled services. In Indonesia, a social enterprise company called 8 villages has launched a platform known as LISA (Layanan Informasi



Desa (Village Information Service) which leverages information and communication technologies (ICTs) to address information challenges in rural markets. Econet Wireless in Zimbabwe has led the development and rollout of the EcoFarmer suite of services that capitalises on the organisation's mobile telecommunications infrastructure. In Uganda, FIT Uganda is disseminating agricultural market information and providing market intelligence to smallholder farmers.

- Thirdly, to consolidate the delivery of the bundled services, the human interface is still vital for all ICT-based projects. In Zimbabwe the programme partnered with the Zimbabwe Farmers Union, which has a track record of working with smallholder farmers to advance their interests and welfare. In Indonesia the programme works closely with government extension officers, who ensure uptake by presenting mobile-based solutions with a human face.

A solid network of committed partners invested in targeting the rural market with a strong product champion are non-negotiables for extension of rural advisory services to smallholder farmers. These principles will further ensure sustainability of the services.

### Geographical, socioeconomic, and agro ecological contexts

The Agri-Fin mobile programme has been implemented in three different contexts in two different continents. The uptake is highly dependent on context, thus there is a difference in implementation strategies but with the same aim. Total smallholder farmers reached is 300,000, with 60% of these adopting farming methods sent by phone.

Knowing how to use a mobile phone has been one of biggest challenges, but with simple curriculum introduced at mobile and financial literacy training workshops, most smallholder farmers have learnt an easier approach to keeping their funds on the mobile phone.

Most information is passed to farmers using mobile phones, and there are usually extension personnel guiding farmers comprehend the messages sent to them.



Agriculture and finance have been merged in Agri-Fin Mobile because there is a need in the agriculture space for financial inclusion. Thus a partnership was formed with GIZ as the financial literacy advisor on the programme, which has allowed for integration of simple financial practices for the small holder farmer to use.

### Capacities required

The product champion should have the relevant technical capacities and financial muscle to invest in and drive the development of bundled services. Other partners should be able to bring to the table key skills, from content aggregation to marketing and distribution of services. Selected partners can take a leading role in identifying appropriate methods of entering the market in line with their knowledge of the rural market.

Key capacities that are embodied by the Agri-Fin mobile program are essential for developing the bundled services:

- Facilitation - The Agri-Fin team identified key players in the agriculture and telecommunications sectors and facilitated the development of solid partnerships based on the shared value approach.

## ZIMBABWE ECONET WIRELESS – PRODUCT CHAMPION

Econet Wireless International is a diversified global telecommunications group and the country's leading mobile network operator. Econet Wireless Services is a subsidiary mandated to offer mobile money services, solar products, and mobile solutions. EcoFarmer is the unit tasked to develop services for the agriculture sector, focusing on under-served smallholder farmers. Econet owns the EcoFarmer suite of services. With the support of partners, Econet

- drives the development of bundled services
- invests in the development of the technical platform
- markets and distributes
- directs scaling and expansion

To date over 200,000 smallholder farmers have opted for the EcoFarmer suite of services.

## INDONESIA FOCUSING ON WOMEN

Improved farming techniques of women have a greater chance of impacting household food security. The Agri-Fin Mobile programme in Indonesia specifically targets women to ensure uptake of bundled services. Training of trainers was provided to 70 female extension workers, who then could train up to 10,000 female farmers. The training content includes mobile and agricultural information, financial services, and financial literacy. The training uses both classroom and digital channels.

In order to roll out the training and achieve targeting of female farmers, the program entered into partnerships with extension offices in three districts. In each district, the head of the extension office assigned a local coordinator to work with the master trainer and coordinate with female extension workers in the sub-district extension offices.

- Market insight - In each country there was need to develop marketing strategies for the bundled services, and understanding of rural market needs was crucial.
- All-round skills and knowledge of the two crosscutting sectors: agriculture and telecommunications.

### Governance and policy environment

In the three countries, various working groups have been set up to drive the identification of the services to be bundled depending on the needs of the smallholder farmers, content of the advisory services, nature of the bundle, and the distribution of the bundle of services. The working groups comprise representatives from government ministries, private sector, and farmer union representatives.

An encouraging policy environment and an enabling regulatory environment drives success. This is achieved through the inclusion of policy makers in all stages of the

project. The ministry of agriculture all three countries was continuously engaged and was encouraged to participate. The participatory approach was employed when the programme started – key stakeholders in the industry were given the opportunity to participate in the development and delivery of the bundled services to smallholder farmers.

### Target audience

Most agriculture workers in the world are women, therefore the programme has specific interest in women farmers. Targeting women has the highest potential to impact household income and livelihoods.

### Implementation information

#### UGANDA STRATEGIC PARTNERSHIPS

Agri-Fin Mobile in Uganda works to increase access and utilisation of agricultural information and financial services to smallholder farmers to increase productivity and incomes through mobile phones. The main programme approach is through strategic alliances with shared values and sustainable business models.

#### USING ICTS TO IMPROVE FARMER DECISION-MAKING - FARMIS PLATFORM

Farmis is an ICT business solution that helps farmers with record keeping. Farmis helps farmers and farmer groups with programmes that assist them to automate their business processes. They provide clients with market information such as commodity market prices, marketing offers and opportunities, advisory services, and credit and financial tracking mechanisms. This video explains how Farmis works:

<https://www.youtube.com/watch?v=vlu-1xQ6VHU&feature=youtu.be>

The following is a summary of the strengths, weaknesses, and challenges of delivering rural advisory services through a bundled mobile solution.

STRENGTHS	WEAKNESSES	CHALLENGES
<ul style="list-style-type: none"> <li>• low cost access to rural advisory services</li> <li>• bundling encourages uptake of advice and services can reach scale</li> <li>• allows farmers exposure to other services that can improve productivity</li> <li>• bundle provides greater value for money</li> <li>• mobile solution complements existing extension services</li> <li>• added convenience of accessing multiple services on one platform</li> </ul>	<ul style="list-style-type: none"> <li>• opens floodgate of demands on single platform</li> <li>• levels of commitment of ecosystem partners can vary and impact bundled services</li> <li>• failure of one service has potential to impact rest of the suite of services</li> <li>• general product and scaling is highly dependent on commitment of partners</li> </ul>	<ul style="list-style-type: none"> <li>• building a business model around bundled services and rural advisory services specifically is challenging</li> <li>• pricing of bundle taking into account the nature of the target market is difficult</li> </ul>



## ICT considerations

The mobile phone has been deemed a transformative tool in economic development due to its affordability and penetration of hard to reach markets. The approach therefore centres on using mobile technology and other ICT platforms to package the bundled services and conveniently deliver rural advisory services. It is of paramount importance that such low-cost convenient tools are considered in delivering rural advisory services.

## Key lessons

Rural advisory services should not be viewed in isolation. If the objective is to improve smallholder income and livelihoods, there are other constraints that require attention. Bundling these services can build an appreciation of and increase uptake of critical services that address productivity constraints.

## Costs

The costs of developing and rolling out bundled services that include rural advisory services vary depending on the product design. The branding and marketing costs are significant as the target market is sparsely distributed. The technology is an added cost, as the mobile platform should allow for registration, profiling of farmers, and special guided menus to access bundled services and other applications. These costs can be significantly lower if the partner already had existing infrastructure that can support the bundled services.

## Further reading

The economic landscape of digital agri-finance in July 2014 by CTA

<http://blogs.cta.int/2014/07/16/economic-landscape-digital-agri-finance/>

Working to give female farmers in Indonesia access to agricultural information and financial services. Posted in Tuffsgloballeadership.org in July 2013 (<http://www.tuffsgloballeadership.org/blog/working-give-female-farmers-indonesia-access-agricultural-information-and-financial-services>)

Agri-Fin Mobile's Gender Analysis Highlights Female Farmer's Vital Role in Production, Limited Access to Agriculture Information. Posted in e-Agriculture.org in September 2013 (<http://www.e-agriculture.org/blog/agri-fin-mobile%E2%80%99s-gender-analysis-highlights-female-farmer%E2%80%99s-vital-role-production-limited-acce>)

How Do Smallholder Farmers Access Information? Posted in CGAP.org in January 2014 (<http://www.cgap.org/blog/how-do-smallholder-farmers-access-information>)

Breaking the Agricultural Financing Myth through Supply Chain Viable Business Model, in PISAgrO News (a quarterly newsletter), November 2013 (<http://pisagro.org/wp-content/uploads/2014/01/PISAgrO-Newsletter-V.pdf>)

Working with Smallholder Female Farmers in Improving their Access to Agriculture Information and Financial Services, in PISAgrO News (a quarterly newsletter), February 2014 (<http://pisagro.org/wp-content/uploads/2013/10/PISAgrO-Newsletter-6.pdf>)

---

This paper was produced by Agri-FIn Mobile program under Mercy Corps with Financial support from Swiss Agency for Development and Cooperation (SDC).

Photos: Mercy Corps

Correct citation: Kakooza, C. 2014. Mobile-based "bundled" services: Example of Agri-Fin Mobile. Note 3. GFRAS Good Practice Notes for Extension and Advisory Services. GFRAS: Lindau, Switzerland.