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 agroecological 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 the 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.
• 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

<table>
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<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
<th>CHALLENGES</th>
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<tbody>
<tr>
<td>• low cost access to rural advisory services</td>
<td>• opens floodgate of demands on single platform</td>
<td>• building a business model around bundled services and rural advisory services specifically is challenging</td>
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<tr>
<td>• bundling encourages uptake of advice and services can reach scale</td>
<td>• levels of commitment of ecosystem partners can vary and impact bundled services</td>
<td>• pricing of bundle taking into account the nature of the target market is difficult</td>
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<tr>
<td>• allows farmers exposure to other services that can improve productivity</td>
<td>• failure of one service has potential to impact rest of the suite of services</td>
<td>• general product and scaling is highly dependent on commitment of partners</td>
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<td>• bundle provides greater value for money</td>
<td>• mobile solution complements existing extension services</td>
<td>• building a business model around bundled services and rural advisory services specifically is challenging</td>
</tr>
<tr>
<td>• mobile solution complements existing extension services</td>
<td>• added convenience of accessing multiple services on one platform</td>
<td>• pricing of bundle taking into account the nature of the target market is difficult</td>
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The following is a summary of the strengths, weaknesses, and challenges of delivering rural advisory services through a bundled mobile solution.
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

Working to give female farmers in Indonesia access to agricultural information and financial services. Posted in Tuftsgloballeadership.org in July 2013 [http://www.tuftsgloballeadership.org/blog/working-give-female-farmers-indonesia-access-agricultural-information-and-financial-services]


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

Photos: Mercy Corps