<table>
<thead>
<tr>
<th><strong>Session title:</strong></th>
<th>Digital Financial Services for Agriculture</th>
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<tbody>
<tr>
<td><strong>Session number:</strong></td>
<td>12</td>
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<td><strong>Type of session:</strong></td>
<td>Livestreamed</td>
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<tr>
<td><strong>Day:</strong></td>
<td>Monday, 6 September 2021</td>
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<td><strong>Time:</strong></td>
<td>11:15-13:00 EAT</td>
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<tr>
<td><strong>No. of participants:</strong></td>
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<tr>
<td><strong>Session Organizers:</strong></td>
<td>AFEX &amp; Smallholder and Agri-SME Finance and Investment Network (SAFIN)</td>
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<td><strong>Moderator:</strong></td>
<td>Michael von During - Technical Specialist for the Smallholder and Agri-SME Finance and Investment Network (SAFIN)</td>
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<td><strong>Rapporteur:</strong></td>
<td>Atuonwu Adanna</td>
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<td><strong>Relevant outcome:</strong></td>
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  - Partnerships and collaboration among participating individuals and organizations for achieving the scale of existing and new digital financial service products.  
  - Knowledge product on digital financial services in Africa. |
| **Objectives:** | Financial inclusion and payment systems are central considerations in digital financial services. Including smallholder farmers means that they can access systems of credit, can keep their money safely, and can be assured of reduced transaction time and costs. Creating appropriately tailored digital financial service innovations for smallholder farmers and other value chain actors, which fit their needs, is one part of the puzzle. This session will drive conversations on the adoption of digital financial services for agriculture, within the context of the challenges it can solve and the huge potential for scalable outcomes that will improve our food systems. |
| **Speakers:** |  
  (*Name, Title, Organization*)  
  1. Oluwafunto Olasemo – Vice President Financial Markets, AFEX  
  2. Matt Shakhovskoy, Director, ISF Advisors  
  3. Wambui Chege, Board Director, Independent Consultant, Entrepreneur |
Main highlights:
(*For Insights and newsletter. To be based on the theme of the day. Fill in in bullet form)

KEY CHALLENGES

- There is a funding deficit in Africa’s agricultural sector.
- Limited finance affects the value chain from a demand and supply perspective.
- Digital Financial services are increasing in Africa. However, these services rarely stand alone but are integrated into bundle services.
- There is a need to de-risk the sector and proffer innovative solutions to close the financing gap among smallholder farmers.

INNOVATIONS PROPOSED

- Innovations should revolve around business models that support that delivery by leveraging on partnerships and data sharing.
- Data. Data-driven insights have the potential to unlock new sorts of services, especially in the private sector.

RECOMMENDATIONS/ NEXT STEPS

- There should be a value chain service that provides smallholder farmers with access to finance, market, and capital as a bundled service.
- Digital Financial Services providers must tailor innovative products that align with the specific needs of each smallholder farmer.
- While DFS is important in advancing growth in the sector, investment in infrastructures is a critical element.

Session Summary:
All over the world, 70% of global food production comes from local farmers, and they are the most financially excluded and disproportionally poor in the system. It is important to create digital financial services to ensure that smallholder farmers have a bountiful harvest and they live above their means.

To achieve this, we must think of smallholder farmers as customers. This means everything a digital financial customer needs, it must be extended to them too. Adopting these services can create a major pathway out of poverty for smallholder farmers. And
this would be driven through the creation of infrastructures that guarantee their access to finance, market, extension services in a digitally-enabled ecosystem.

**Tweetable quotes with timestamp:**

1. Having a sense of identity for smallholder farmers means they can produce commodities and live above poverty.
2. Investment plays a huge role in getting the infrastructure going.
3. The biggest and most exciting upcoming innovation is unpacking data. The national-level up data are available to private sectors that were never able to unlock new sorts of servers.

**How has the session contributed to the AGRF outcomes?**

- It has kick-started broader conversation on how to solve infrastructural deficits hampering Africa’s rural and market potential
- It has proffered innovative solutions to bridge the financing gap among smallholder farmers.
- It advocated for digital financial inclusion for African smallholder farmers to boost Africa’s food security.

**COMMITMENTS**

This session reiterates AFEX’s commitment to driving the adaptation of financial products, specifically designed for smallholder farmers to ensure their access to market, credit for increased productivity, and enhanced livelihoods.