



## Financial Innovation for Smallholder Families

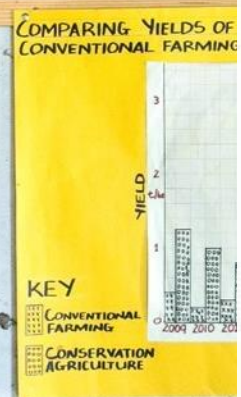
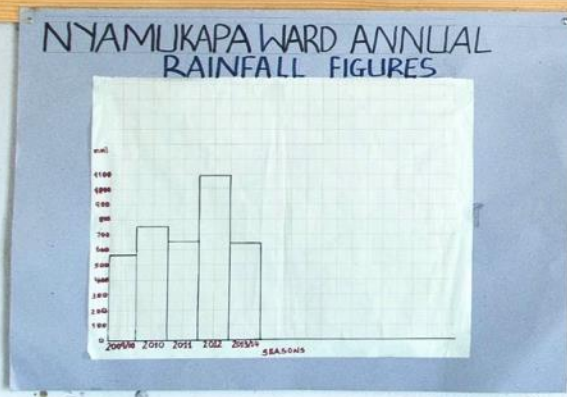
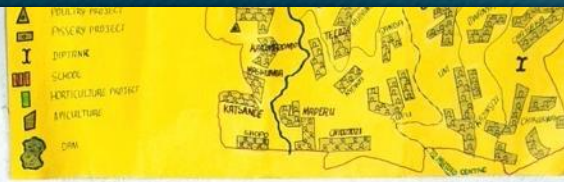
Max Mattern

GSMA Mobile 360 Africa – Cape Town

9 October 2015

# CGAP Smallholders Initiative: Understanding Demand, Driving Innovation

10	KAPANGO	22	15	37
11	KARIMAZONDO	32	24	56
12	KATSANDE	12	09	21
13	KAZINGIZI	73	33	106
14	MASHUMBA	11	10	21
15	MAPERU	29	27	55
16	MUBVUMBI	51	34	85
17	MUSVAIRE	46	31	77
18	MUZUNZA	37	24	61
19	NYAKUDANGA	82	28	110
20	NYOWA	19	10	23
21	PAPI	19	10	29
22	PASIRAYI	16	17	33
23	SHOPO	06	16	22
24	TEEDZA	15	09	24
25	UNI	33	36	69
26	ZIMORA	36	29	65
TOTAL H/HOLDS		782	614	1396



- **Smallholder Financial Diaries** (Tanzania, Mozambique, Pakistan)
- **National Smallholder Household Surveys** (Tanzania, Mozambique, Uganda, and 2 more TBD)
- **Applied Product Innovation** (Zimbabwe, Rwanda, Cambodia, Senegal)

FOR 2009/10	TOTAL PRODUCTION (t)
	101.25
12	0.5
	0.3
	30.4
	0.1
	1.6
	4.1
	8.8
	2
	0.5



# Building the Evidence Base: What are we learning?

The transition to digital needs to move in staged increments



Barriers to overcome on usage and capability



Double jump from in-kind to cash and from cash to digital



Non-ag related services (education) and information can be the gateway

# Working with Providers: What are we trying to do

Explore the potential of digital financial solutions for smallholder families



# Working with Providers: How are we doing it?

*Applied Product Innovation in Rwanda, Zimbabwe, Senegal, Cambodia*



# Working with Providers: What are we learning?

Minimizing the perceived risk of DFS is key to driving smallholder adoption. 3 fundamental design principles:



**Flexibility:** Smallholders expressed a desire for features that promote discipline, but told designers that they would be less likely to try a digital savings account that penalized them for accessing their money in a time of emergency.



**Familiarity:** Discomfort and lack of familiarity with technology can increase perceptions of risk when considering whether or not to try a new digital financial service.



**Tangibility:** From jewelry to livestock, many smallholders prefer tangible stores of value. Transitioning smallholder families from a practice of saving in-kind to saving in electronic stores of value will require a “double jump” from in-kind, to cash, to digital.

**Thank you!**



 **CGAP**