

**Scale
2Save**

Côte d'Ivoire: Mobile and agency banking in agricultural value chains



**Helping smallholder farmers to smooth
their cash flows between harvests
and improving their financial
resilience**



WSBI



mastercard
foundation

**A country reliant on agriculture,
where smallholders struggle to
survive between crop cycles**

Côte d'Ivoire, in West Africa, is the world's leading producer of cocoa and cashew nuts: 68%¹ of its 25.7 million population is estimated to rely upon agriculture for a living. Gross National Income is US\$2,290 per head², but wealth is unevenly spread: 39.4% of the population live in poverty, and poverty levels in rural areas have been growing³.

Access to financial services is critical for a nation of smallholder farmers who are focused on cash crops rather than subsistence farming. Seasonal fluctuations in income, as well as ups and downs in global commodity prices, result in a need for saving and borrowing to ensure liquidity, and to meet household costs between harvests. Yet 59% of adults have no bank account⁴.



Its goal: to add 120,000 rural clients over four years, providing them with a full range of financial products including micro-insurance, loans and savings accounts



ADVANS
CÔTE D'IVOIRE

Advans offers cocoa farmers financial services access through mobile and agency banking in organized value chains

In November 2018, Advans Côte d'Ivoire, one of nine country operations of international microfinance group Advans, partnered with the WSBI's Scale2Save programme to advance financial inclusion among actors in Ivorian agricultural value chains, with a particular focus upon cocoa farmers.

As part of the collaboration, Advans extended its branchless banking offer, and added more rural agents by signing-up cooperatives who buy cocoa. The co-ops can now make payments directly to farmers' savings accounts and farmers can make transactions at the coop. Its goal: to add 120,000 rural clients over four years, providing them with a full range of financial products including micro-insurance, loans and savings accounts.

Products are designed to meet farmers' needs

Three features of this project are of note. First, the Microfinance Bank uses farmers' cooperatives as agents, thereby benefiting from the long-standing relationship of trust between farmers and coops. Second, most Ivorian farmers are aware of the importance of financial services: a CGAP survey found that 85% recognised the importance of insurance, and 82% valued access to banking. Thirdly, Advans identified the difficulty farmers have in paying school fees in the months before the harvest, and offered a special 'scholarship loan', taken up by 2,000 families, to help its clients overcome this cashflow issue and encourage families to send their children to school.

Cooperatives provide a trusted channel to reach the target market

By working with farmer cooperatives and using them as agents, Advans was able to develop a palette of financial services that found a ready take-up among its target clients. The lessons learned include:

- High rates of mobile use among farmers – 86% own a mobile phone – made mobile banking a good channel to reach geographically scattered smallholders.
- Using farmers cooperatives as agents helped in recruiting farmers, facilitated financial literacy training and provided an accessible touch-point for any queries about operating accounts.

¹ CIA Factbook

² World Bank, 2021

³ World Bank, 2021

⁴ Global Findex, 2017