

PRIVATE SECTOR PEER LEARNING: PARTNERSHIP PROFILES

SAP and GIZ develoPPP.de Initiative

Description: In 2013, the information technology solutions company SAP launched a [development partnership](#) with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Uganda Coffee Farmers Alliance (UCFA) to provide smallholder farmers with direct access to export markets. As part of the German Federal Ministry for Economic Cooperation and Development's (BMZ) develoPPP.de programme, SAP adjusted its app-based software to record coffee deliveries and subsequent transactions such as money advances, bulking, selling to exporters and payments. UCFA managers were trained to use the software, creating a software-based administration system that covers 16 000 of the UCFA's 54 000 members. The software increases transparency within the coffee sector by providing geographic analytics, yield reports and traceability of produce, components that are relevant under certification schemes and thus enable farmers to gain access to new markets. In exchange, SAP gained access to important networks that enable it to tap into the African market and save time and effort that would otherwise be spent on finding contacts.

Development Assistance Committee member: Germany

Budget: Not available

Duration: January 2013-July 2015

Location: Uganda

Sector: Coffee

Activities: Technology and software

Beneficiaries: The UCFA and 16 000 smallholder farmers

Objective: The SAP and GIZ partnership aimed to boost the incomes of smallholder farmers and their families, reduce the administrative load on the UCFA and increase transparency in the UCFA's operations.

Partners: SAP adjusted the app-based software, which it owns, to the working methods of smallholder farmers and coffee organisations in Uganda. The GIZ used its extensive knowledge of the coffee sector, agriculture and financing programmes in Africa to identify the UCFA as a potential partner and, in collaboration with SAP, selected the organisation. Training was provided to 24 UCFA managers, who manage day-to-day operations including managing, tracking and recording the quantity and quality of coffee supplied, transportation, and payments to each farmer. Data collected by the UCFA were transferred to a central server in the SAP Cloud. The new system made management and payment more secure and transparent, thereby ensuring that farmers receive a guaranteed fair price for their coffee.

Key activities: The provision of the app-based software to the UCFA and training of managers to use the software.

Results: The pilot project in 2014 was very successful, leading to the partnership winning the 2014 Agribusiness Innovation Challenge launched by the Consortium for Enhancing University Responsiveness to Agribusiness Development and the UCFA winning in the category "Best Enterprise using Information and Communications Technology". Specific results of the partnership include: 1) greater productivity, with UCFA members supplying 54 000 kilograms more coffee in 2013-14 than in the preceding season; 2) greater access to financing, since farmers could use the data collected to provide evidence of earnings to a bank, whereas before many borrowed money informally at exorbitant interest rates; 3) greater transparency, since the software recorded incomes and yields for the first time, enabling the UCFA to plan its logistics and training more efficiently; 4) lower administrative costs, with accurate data that could easily be processed leading to the UCFA's operations being streamlined and more transparent, cutting administrative costs by more than 11% and ultimately leaving more money for farmers; and 5) easier access to certification, since the UCFA could apply for certification more easily and transfer farmers' earnings using mobile phones.

Monitoring and evaluation: No monitoring and evaluation documents on this partnership were found. The GIZ has a factsheet that provides a general overview of the activities completed in Uganda. SAP has plans to scale up its project with the UCFA and other producer organisations and exporters as well as expand operations to other crops and countries.

SOURCES:

BMZ (10 November 2014), "develoPPP.de partnership with SAP and GIZ wins award for the best enterprise using ICT" (press release), www.developpp.de/en.

GIZ (2015), "A quantum leap into the digital age" (fact sheet), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Bonn and Eschborn, www.developpp.de/en/content/quantum-leap-digital-age.