



LGT Impact Fellowship 2016 Annual Report

December 2016



LGT Impact Fellowship 2016 – Impact Report

LGT Impact Ventures/LGT Venture Philanthropy



Jonna Bickel (Philippines)

Host organization: Kennemer Foods International (KFI), Inc (Philippines)

Fellowship role: Setting up of a new Agriculture Finance Company

Fellowship duration: Jan – Dec 2016

Degree: Master of Economics (University Heidelberg, Germany)

Professional experience: Economist with 10 years experience in International Development with focus on micro and rural finance, poverty reduction

Summary

Drawing back on her experiences of having worked for 10 years as an advisor in the area of financial system development with focus on micro- and rural finance in different developing and emerging countries, during her fellowship Jonna facilitated the set up of a new agri-finance company in the Philippines. This company now provides tailor-made financial products to farmers who are interested to plant and grow cacao. Jonna managed the conceptual and strategical preparations as well as the operational implementation of the company and led it to providing its first short- and long-term loans - enabling farmers to start a new livelihood and income source.

The problem KFI aims to tackle

- Small-holder farmers in the Philippines lack opportunities to utilize their land and therefore have instable income sources and often live below the poverty lines.
- Integrated into the value chain, they still remain to be most vulnerable due to their constrained access to quality planting inputs, lack of access to technology and markets as well as lack to access to finance

KFI's solution

- KFI provides end-to-end support to smallholder farmers with access to technology, financing and markets needed to increase and sustain farmers' yields, income and quality of life.
- ▶ KFI works with thousands of cacao farmers to increase their average annual income as much as 4 times (7X increase in average coconut farmer's annual income) in Mindanao and parts of Visayas areas in the Philippines.

KFI's challenges

Farmers interested in setting up a cacao farm needed access to finance to support the initial start up phase which existing banks were not able to offer in such an extend.

Kennemer therefore decided to integrate access to finance closer into their support to farmers by setting up a dedicated finance company.

“My experience as an LGT Impact Fellow... was the perfect immersion into an impact-motivated private sector by contributing from my former experiences in the development sector. Working with such a competent and dedicated team at Kennemer was a great experience with never-ending learning and laughing – and some chocolate tasting in-between.”

– Jonna

Opportunity for an LGT Impact Fellow

Kennemer was looking for a Fellow with banking and finance experience to support the set up of a new Finance Company, a separately owned and managed organization.

Jonna's achievements ...



- Jonna led the conceptual and strategic set-up of a new finance company which provides loans to Kennemer's cacao farmers. This included the design of financial products, development of policies of manuals, set up of IT systems and deployment of a team for back- and front office operations.
- Jonna supported to secure the legal registration as well as funding for this start-up company which included financial and outreach projections, due diligence processes as well as strategic business planning.

Jonna's next challenge

Jonna stays in the Philippines and continues to provide Kennemer with strategic and management support. Jonna will lead Agronomika's expansion into a full-fledged agriculture-focused financial institution providing farming communities in rural areas a range of financial services.

... enabling more farmers to start cacao growing



- Jonna managed the official starting phase of Agronomika Finance Corporation including the origination of farmers, the granting and disbursing of loans. By the end of the Fellowship, 40 farmers have received loans from Agronomika and are starting their 150+ ha of cacao farms which will help them generate a regular income over the next decades.
- Jonna also helped Kennemer in setting up of their Impact model including the adoption of the "Progress out of Poverty Index" which will help Kennemer to assess the poverty levels of its growers and to monitor their development over time.

„It was great working with Jonna. She added a lot of value to our organisation during her fellowship. In fact, we have mutually decided to continue working together to further strengthen Agronomika Finance and provide more rural communities with access to financial services.“

*Simon Bakker, Founder and CEO,
Kennemer Foods & Agronomika Finance*