



In this pathway, the smallholder farmer shifts away from agriculture production and instead pursues an entrepreneurship livelihood strategy in rural services, either related to agriculture (e.g., agro-vet) or not (e.g., mobile money agent).



Target Outcome Effects

Resilience	Employment	Climate	Gender	Youth
<p>Increased asset ownership and income potential</p>	<p>New (primarily informal) jobs created from rural entrepreneurship and hired labor</p>	<p>Adaptation to climate-related shocks and changes</p>	<p>Reduction in gendered occupational segregation, and increased agency and financial independence</p>	<p>Increased rural youth entrepreneurship and skills development</p>

Client Profile:

The service entrepreneur could be a farmer transitioning out of farming into service provision or seeking diversified income besides farming. Services entrepreneurs offer agricultural or non-agricultural rural services through (usually informal) micro and small businesses (e.g., informal trader, mom & pop shop, mobile money agent) that account for their primary source of income. In the transition, the entrepreneur typically lacks skills around business management and financial literacy, struggling to find finance to start and develop their micro / small business.

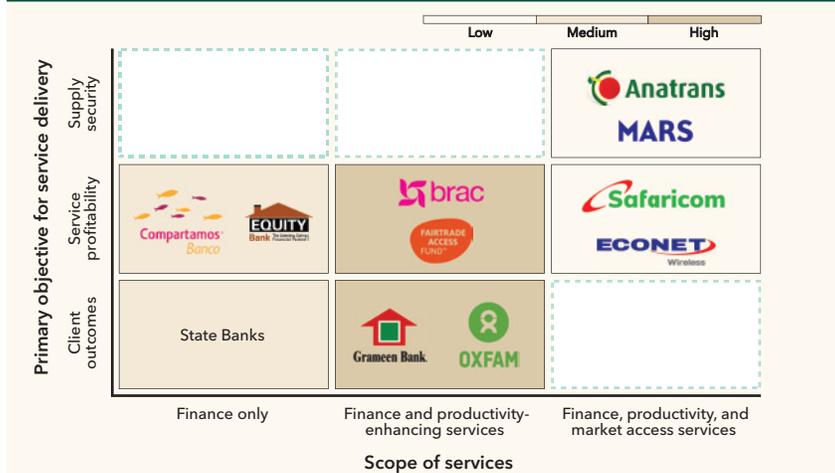
Primary service needs

- Start-up micro loans for establishment costs and working capital for ongoing operating needs
- Checking and savings account
- Foundational training including financial literacy, business and management fundamentals, and marketing

Secondary service needs

- Enabling technology solutions (e.g., mobile money, inventory management)
- Market access support (brokering between entrepreneurs and larger enterprises)

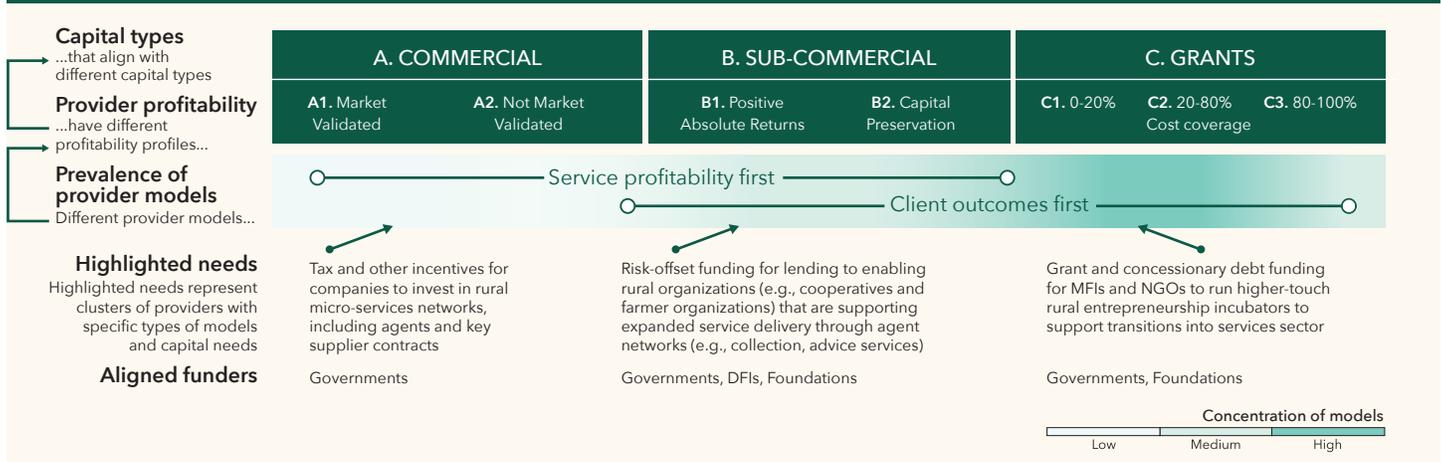
Financial Service Provider Landscape



Observations

- The micro and small entrepreneurs in this pathway are very different but there are commonalities in the types of services needed based on the profile of the transitioning entrepreneur.
- The transition from farming to a rural services enterprise requires start-up capital and significant capacity development to help learn what is needed to run a business.
- While much of this finance and support typically happens through informal channels, non-ag specific MFIs step in to support individuals with micro loans (starting from as low as USD 100), often coupled with financial literacy and professional skill building.
- Some major agribusinesses explicitly aim to build capacity of subsets of farmers in their programs to take on (parts of) service delivery from the providers. Examples include Anatrans (building capacity of cooperatives in cashew value chains).
- MNOs, commercial banks, and other companies looking to establish distribution networks may directly support the establishment of rural agent networks which are financed and supported with capacity building and market development.

Capital Market Alignment



Enabling Environment Dependencies

- Growing rural production base
- Rural commerce links to urban areas
- Trading infrastructure