

PRESS RELEASE

Laboremus launches digital platform to improve access to credit for smallholders & improve management of cooperatives.

Funding received from Financial Sector Deepening Uganda will help build resilience of smallholder farmers and the groups that serve them.

Kampala - Wednesday 20th November 2019.

Laboremus Uganda Ltd. has received support from Financial Sector Deepening Uganda (FSDU) to accelerate its work to provide financing to farmers in Uganda and beyond. Through Emata, a financial inclusive initiative aimed at bringing financial services to the underbanked in Uganda, Laboremus will digitise financial services and make them accessible to an underserved part of the population.

Emata will tap into the existing cooperative ecosystem, enabling farmer groups to onboard members onto a digital *cooperative information system* that registers farmers' deliveries, prices, net-pay calculations and more. The platform creates credit history for the farmers which in turn allows Emata to loan money to members with good performance.

The platform also gives cooperatives a better overview of the ongoing operations at the farm level. By being able to, for example, identify which farmers are the big earners (and which ones need help), or the trends in milk delivery volumes, cooperatives are able to plan better. This benefits the entire ecosystem.

Emata has been developed through continuous interaction with farmers and cooperatives - this has ensured that important functionalities such as offline capabilities are built into the platform. In addition to this, advanced financial technology, innovative credit scoring models and automation of most manual processes will give farmers easy access to affordable loans.

Emata is the result of Laboremus' experiences working with financial technology both in Europe and East Africa. Since starting up in Uganda in 2013, the company quickly realised that the opportunities technology offers were not being fully utilized, especially in rural areas. Laboremus believes that technology can do much more to solve pervasive problems in the region, especially when it comes to advancing financial inclusion.

In addition to financial support, FSD Uganda brings vast experience and knowledge about deepening access to financial services to this partnership.

Rashmi Pillai, Executive Director - Financial Sector Deepening Uganda (FSDU)

“Per the latest Finscope results in 2018, agriculture either directly or indirectly still employs nearly 70% of households, majority of whom are subsistence farmers. Formal credit is rarely an option for this target group. In fact, only 5% of adults report taking up formal credit last year – most adults continue to use informal lenders, or family and friends to solve their credit needs. The Emata platform helps de-risk the smallholder farmer. It helps digitize their cashflows, which provides immediate insights into how farmers manage incomes and expenditures. This helps the financial sector assess their risk profile and creditworthiness and determine how to lend to these otherwise untapped customers. Beginning



with the dairy sector, Emata will also test non-collateral based credit to input merchants that supply to dairy farmers. At FSDU we are excited about models such as Emata that are leveraging technology to meet the needs of the under-served.”

Bram van den Bosch, Managing Director, Laboremus Uganda Ltd. and Co-Founder of Emata

“Emata has been and is an exciting journey and we are thrilled to welcome onboard FSDU as a long-term partner. FSDU is an undisputed leader in the financial inclusion space. Their expertise and professionalism will add value beyond just the financial support to Emata.”

Timothy Musoke, CTO, Laboremus Uganda Ltd. and Co-Founder of Emata

“One of the most exciting things about Emata is that we are taking highly advanced technology used by banks in Europe, and re-engineering it to serve the least tech-savvy part of the population. By digitizing and automating manual processes, we cut costs, cut risk and are able to pay out loans to farmers at interest rates farmers can actually afford.”

About Laboremus Uganda Ltd.

Laboremus Uganda services companies across East-Africa as well as exports IT knowledge and skills by working for financial institutions in Northern Europe. Some of its key clients are SEB and Pareto Securities in Norway and in Uganda dfcu Bank. Since 2016, it has also developed its own financial inclusive initiatives to leverage its know-how and technologies to help bring financial services to the underbanked in Uganda. One of these is Emata.

About FSD Uganda:

Financial Sector Deepening Uganda (FSD Uganda) is a company limited by guarantee promoting greater access to financial services in Uganda. FSD Uganda seeks to develop a more inclusive financial sector with a focus on low-income individuals (particularly small holder farmers, women, youth and forcibly displaced people) and micro, small and medium enterprises (MSMEs). With support from DFID, FSD Uganda facilitates product innovation, conducts research, helps to promote and improve policy, laws and regulation that shape the financial sector in Uganda.

For more information please contact:

Maren Hald Bjørgum
Communications Officer
maren@laboremus.no
+256 781 830 143

Juliet Kugonzebwa Tumuzoire
Head of Financial Services
jtumuzoire@fsduganda.or.ug
+256 393231260/ 2