Rural Connectivity Hub Workshop

Workshop summary

10th April 2018

Summary of Key Insights (1/2)

For the implementation of effective and efficient rural connectivity hubs for different targeted users across the various use cases, stakeholders have to take the following into consideration:

1. **Targeted users –** Traditionally, connectivity hubs sought to serve the end client, however, hubs need to provide use cases not only for and/ or the rural residents but also use cases for those who want to reach farmers/rural residents. These include those who want to promote products and NGOs for social campaigns on health and other topics
2. **Data and data ownership:** Data is important in the effective and efficient provision of services across stakeholders; however for data to be most useful – there needs to be: (i) reliable data capture by the different service providers and; (ii) resolution of challenges that exist with regard to data ownership and sharing. This will encourage players such as commercial banks to plug-in - data regulation should involve the government given there is a need for updated policies around data
3. **Partnerships:** Business models need to be explored and designed in order to overcome and/ or minimize the capital and operating expenditure constraints, while maximizing the return on investment. This is best achieved through partnerships between the different stakeholders, with a key investor (e.g. a big player) – looking at what benefits each can bring and maximizing on synergies that exist. This will address the fragmentation that currently exists within the space
4. **Market-driven approaches:** A sustainable business model should be at the core of any enterprise that is to succeed in the provision of rural connectivity – this calls for the use of tools such as subsidies responsibly to avoid the creation of unsustainable 'white elephants'. Case learnings indicate that the inclusion of FMCG can drive viability of the business across seasons
5. **Profitability of investing in additional physical infrastructure:** To decrease the cost of setup and provision of services, the hub can be set up as a market place with different service providers running their individual complementary businesses within the same 'market' - this is because the return on investment in physical structures has been found to be minimal

Summary of Key Insights (2/2)

6. **Technology and its uses:** Technology has to respond to the various use cases of both the “anchor business” as well as supporting businesses e.g. currently, the role of technology such as blockchain is becoming clearer for functions such as traceability of produce which assists in quality control
7. **Use of existing community structures and infrastructure:** Hubs should tap into existing community structures that inform where individuals gather so as to promote the accessibility by the largest number of users. This include church, produce collection centres, community markets etc. Furthermore, existing community infrastructure e.g. post-offices can support some of the use cases identified
8. **Youth and women:** Both youth and women are key potential beneficiaries of the connectivity hubs, however, they remain excluded due to cultural norms, among other factors – hubs need to be designed in such a way that they drive their accessibility by women and youth – this can be achieved through leveraging human centred design. Furthermore, youth livelihoods can be promoted through the provision of jobs within the hubs etc.
9. **Centralized aggregation**: To attract institutional customers (who want to reach farmers/rural residents), it is ideal to have hubs locally run, as a business, with central aggregation functions. These centres can provide standard design of hub (both hard and soft) and be a central point of contact for the customers who want to use hubs as channel of reaching farmers/rural residents
10. **Geographical alignment:** Partners offering different suites of services need to be geographically aligned in order for their services to be complementarily availed to targeted users in different, and especially rural, areas
11. **Transparency and information:** There is a need for provision of information to farmers to encourage informed decision making and also remove, any information asymmetry that may be leading to reduces profitability of their business e.g. pricing information