

Webinar Series: Cold Storage Finance in Agriculture

Session 2: Perspectives from the Field and Finance

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**Key Takeaways on
unlocking finance for
Cold Rooms and
Cooling-as-a-Service**



Reliable, real-time data is essential to attracting investors

Entrepreneurs developing cold rooms in the agricultural space struggle to access capital due to complex investment norms and procedures. **Data plays a key role in demonstrating performance and profitability** to meet investor expectations and due diligence demands. Lenders and donors consider comprehensive and reliable data as essential to assessing perceived risks, evaluating financial readiness and success potential. **Utilisation, revenue, and reliability related data underpin successful Cooling-as-a-Service business models**, and digitalisation is key to optimising energy consumption and resource management.



Consider the need for broader support and advice

Important non-financial aspects for which support should be considered include regulatory advocacy, certification support, and collaboration with regulatory bodies and associations.

It may be important to focus on refining business models, detailed financial planning, and investor negotiation, along with value/supply chain management and demand creation. This in turn can inform decision-making around partnerships and collaborations to help unlock scalability and financing.



Creating impact: Think beyond the financing box

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Digital tools like 'Coldtivate' can transform business operations and decision-making by collecting data in real-time on crop storage life predictions - enhancing efficiency and reducing investment risks. Beyond showcasing financial viability and growth potential to investors, **data can play a crucial role in understanding social and environmental impacts**. Gender-disaggregated analysis for example can help to understand and address challenges faced by female users and enhance capacity-building efforts. Transparent and accessible usage and payment records can open doors to microcredit and loans, empowering agricultural growth for farmers.

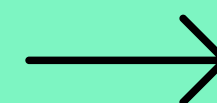


Multiple factors affect the commercial viability of Cold Rooms as a Service

Key factors to consider include, **the revenue model, scalability and growth potential, and the cost of finance.**

The choice of market, customer segmentation, the proximity and distribution of use sites, as well as partners and marketing channels are all important considerations.

Check out the webinar recording to see SokoFresh's subscription model for cold storage access in Kenya aimed at rural aggregators and farmer cooperatives or AkoFresh's daily rate for farmers to store produce by weight in Ghana.



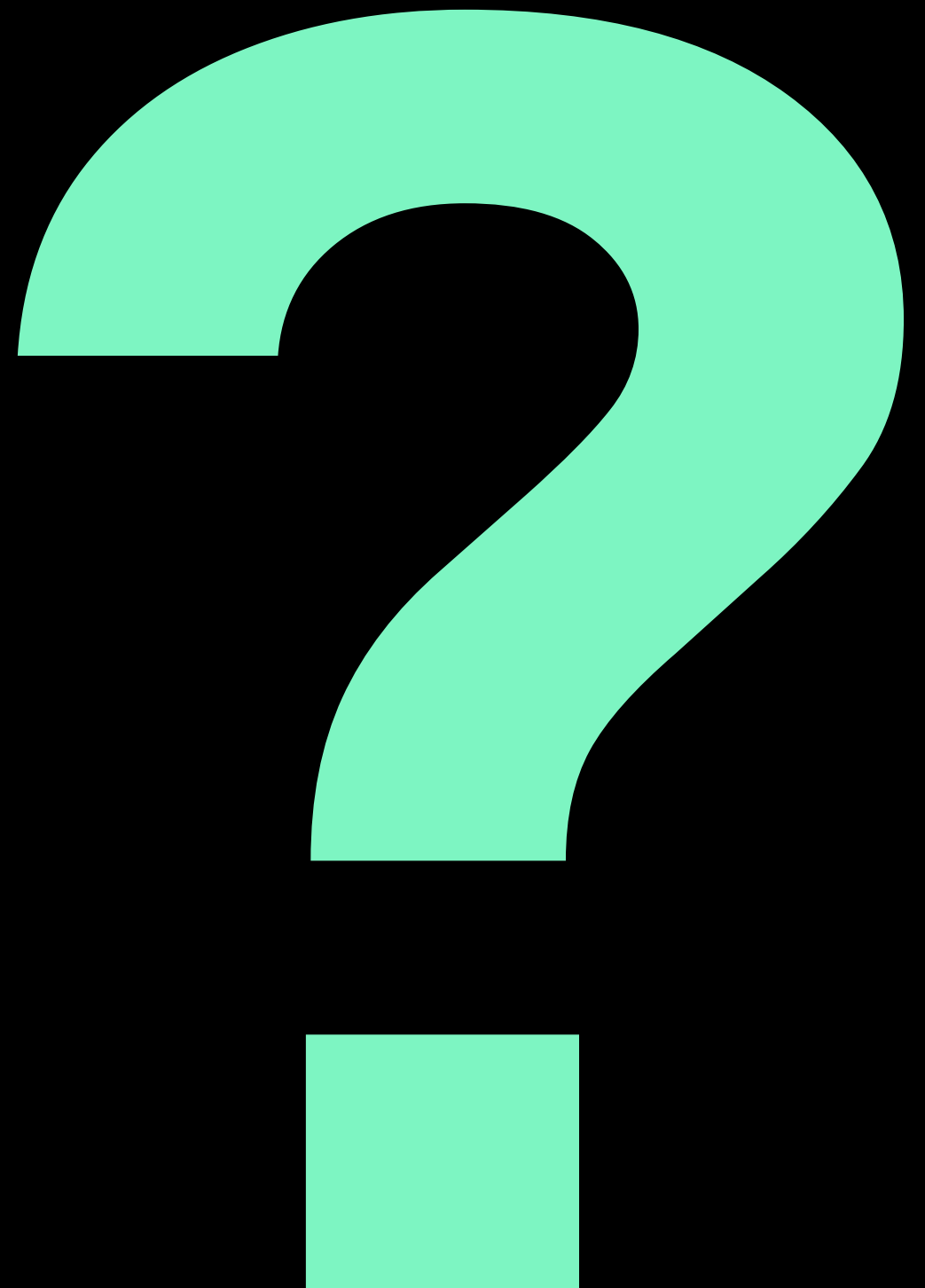
Blending facilities are suited to Cold Room projects



Blended finance involves collaboration among various stakeholders, including governments, international organisations, development banks, philanthropic organisations, and private investors. This diversity leverages a mix of expertise and resources to drive impactful projects. **In emerging markets, blending facilities play a pivotal role, using a mix of financial tools to mitigate risks.** Initially, concessional funding can absorb the risk, making later-stage involvement more appealing to private sector investors. Check out the Climate Finance Blending Facility from InfraCredit focused on Nigeria.



Was this helpful



For more content check out the full webinar!

Link in the description.