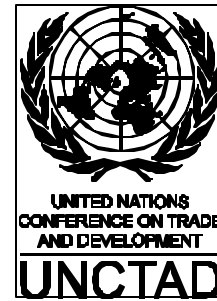


INFOSHARE Project by United Nations Conference on Trade and Development (UNCTAD)



Rationale for the project

After the liberalization of commodity production in many developing countries, extension services, which were traditionally provided by governments, were weakened. The private sector did not replace them. Among these services, access to market information plays an important role. The lack of market transparency has an important negative impact on small producers to reach global markets. Producers have no access to information and thus limited capacity to bargain and get a better price return on their products.

Objectives

Increasing access to information for all stakeholders in order to enhance market transparency and to allow producers to benefit better from the market. Long-term objectives are to increase competitiveness of the sector and boost production of commodities, which will have significant spillovers on the economy

Description

New Information and Communication Technologies can substantially improve the collection and dissemination of information along the supply chain: from the producer to the international market. The Infoshare project is based on ICT.

A database shared among stakeholders in one or several sectors allows collection, processing and dissemination of market information such as series of prices (at the farm gate, at the local market, at auction, at export, at international exchange), costs (inputs, transport, storage, processing, grading, inspection etc), quantity and quality produced at local level, interest rates in the sector, etc. The database is accessible and monitored through the Internet. It is tailored to the specific needs of a particular sector. It is stored in a secured system. The database is also connected to information dissemination tools such as fax, telephone or mobile (SMS). The database is monitored by a selected partner of the project and its sustainability is maintained remotely through the Internet.

Producers' benefits

Producers have access to prices from surrounding markets and may thus better bargain with buyers. They may decide where to sell and have an idea of costs of storage and transport or other costs.

Regulatory authorities benefits

The system makes it possible to analyze the information gathered and take fast and efficient measures to correct problems. For instance, monitoring cost evolution may alert regulatory authorities on potential quality problems if input costs are increasing dramatically. In the case of local transport cost increases, measures can be taken to support the producer to cope with this additional cost.

Buyers' and traders' benefits

The system allows buyers to identify where goods are produced, what is the quantity produced and of what quality.

Infoshare is also an opportunity to build on market intelligence. Part of the project is to train stakeholders on market structures and marketing. Most of the producers cannot exploit raw market information such as daily prices. The system makes it possible to show trends for a week, a month or a year and to give key elements for analysis and advice.

Additional expected results in the long term

In the long term, the project aims at building trust among the partners in the supply chain, reducing the number of intermediaries and boosting commodity production. With global transparency enhanced and commodity strategies and policies improved, the project may result in various spillover effects, such as the possibility of setting up market-based schemes (e.g. tools to calculate risk for a number of commodities and countries) and the development of international benchmarks and indicators (which can be used, for example, as references in the WTO dispute settlement mechanism, intellectual property discussions and competition policies). Finally, better dissemination of commodity information could prompt the donor community to increase its support to the commodity sector through identification of key areas with potential for effective actions that promise quick results.

Pilot phase in the cocoa sector in Cameroon

A pilot version in Cameroon was officially launched in November 2006 for the cocoa and coffee sectors. Producers and processors are enthusiastic. Feedback shows that additional tailor-made intermediate cost reporting must be developed as well as better analytical tools. Training for producers should start and infrastructure for dissemination and collection of information must be improved (the use of cybercafés where available or of mobile and SMS are experimented).