WOMEN’S EMPOWERMENT IN SMALLHOLDER FINANCE
Rural and Agricultural Finance Learning Lab Webinar
Tim Strong, Director of Operations: Agriculture Finance | July 18, 2018
Presentation Outline

Opportunity’s AgFinance-Gender Strategy: Integrating Business and Social Goals

1. Opportunity’s Footprint
2. Case Study: Gender Analysis and Strategy Development
3. Opportunity’s Refreshed AgFinance Gender Strategy
4. Case Study: Farming as a Family Business in Mozambique
5. Recommendations & Resources
Proscovia, Coffee Farmer

Uganda

Proscovia runs her own small coffee farm in southern Uganda. She realized that her one acre plot was not producing as much coffee as possible, and jumped at the chance to register for Opportunity’s AgFinance program when a friend recommended it to her. In 2011, Proscovia received a series of training sessions covering topics from financial education to good agricultural practices—including increasing productivity. She used her first loan of $148 to purchase high quality seed. Since then, Proscovia has used five additional AgFinance loans to purchase other inputs like fertilizer, hire farm hands, and expand the size of her farm. As a result, Proscovia has more than tripled her harvest!

Because of Opportunity, Proscovia now sees herself as a businesswoman. She is using her current loan of $890 to continue improving her farm. This year she also opened a convenience store in the town market to continue improving her and her family’s standard of living.
Opportunity’s Footprint

Mission, AgFinance Model, and Track Record
Opportunity’s Footprint: 85% Women Clients

- For **more than 45 years**, Opportunity has been developing and delivering specialized financial solutions that empower hardworking entrepreneurs in the developing world.
- Today, Opportunity reaches **nearly 9 million clients** through its network of financial institutions and partnerships with various for- and non-profit organizations.
Opportunity Agriculture Finance in Africa

- Launched in 2009
- Operates in **seven African countries**
- Partners mainly with Savings and Loan companies to provide financial services
- Extended **450,000+ ag loans** ($100 million)
- Reached **880,000** people with rural savings accounts
- Provided **strategic advice** to governments and industry leaders
- Shared **learnings with the AgFinance community** through numerous publications, conference presentations, and participation in RAF
Opportunity Agriculture Finance in Africa

The Opportunity Rural Agricultural Finance Model

- Offers **crop-specific group loans** to farmers plus **individual agribusiness loans** to SMEs
- Created **29 partnerships** to deliver farmer support and linkages
- Implemented **digital finance** in four countries
- Provides guidance, product design, partnership facilitation, risk reduction, and more to **strengthen the sustainability of AgFinance portfolios**

In practice, partnership models vary depending on market conditions and value chain structures; some financing is offered without partnerships, see “Value Chain Partnerships in Practice.”
Opportunity Agricultural Finance: Women’s Inclusion

Approximately **one third** of Opportunity’s AgFinance clients in Ghana and Mozambique are women. By comparison, 54% of Opportunity’s African clients are women.
Opportunity’s Gender Analysis & Strategy Development

Case Study
AgFinance Gender Analysis

Purpose: Improve Opportunity’s business and social performance in serving in women in agricultural value chains

Objectives:
- Assess Opportunity AgFinance
- Analyze market demand—define the addressable market
- Recommend improved strategy and practices

Funded by DFID in Ghana and Mozambique
Opportunity AgFinance Performance

Random Sample Survey of Female Clients (Ghana and Mozambique, 2015)

- High satisfaction
- Opportunity is welcoming to women
- Opportunity enhanced women’s empowerment
- For over half of women: Opportunity increased income and improved quality of life
- Women clients want more financial services
Market Analysis: No “Typical” Female AgFinance Client

- **Diverse Client Base:**
  Demographics, financial behavior, agricultural activity, autonomy/empowerment

- **Segmentation Process:** Non-gender factors are stronger drivers of financial inclusion; segment first, then analyze gender

- **Three segments, approaches:**
  - High potential, bank-ready: reduce barriers, tailor services, go beyond crop finance
  - Just out-of-reach: financial inclusion strategies apply
  - High need: graduation models needed, banks can partner with NGOs, digital cash transfers

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### Percentage Point Difference in Account Access

Findex Ghana 2010 (Similar for Mozambique)

- Primary education or less vs. secondary or more
- Poorest 40% vs. Richest 60%
- All vs Rural
- Women vs. Men

![Bar chart showing differences in account access percentage points]
Opportunity’s Refreshed AgFinance Gender Strategy
Refreshed Gender Strategy for AgFinance

Moving from simple inclusion towards nuanced tailoring and empowerment.

- Strengthening women’s empowerment in financial institutions, other partners
  - Iterative integration into core business (Client data analytics, marketing, product improvements and innovations, value chain partnerships, risk management)
  - Customer segmentation, development of a business case for addressable market
  - Stronger gender skills in AgFinance regional team and partners
  - Women’s inclusion vetting process for partnerships

- Integration of recommendations into major new programs, putting women at the center of some new programs (i.e. UKAid in Ghana, DRC)

- Collaborative global learning
Farming as a Family Business in Central Mozambique

Case Study
Piloting Women’s Empowerment in AgFinance

Integrating women’s empowerment into “last mile” sustainable market development

- Reaching "just-out-of-reach" farmers in conflict-affected central Mozambique
- Training micro-agribusiness as Farm Business Advisors (FBAs)—delivering practical training and connecting them to market-based ag support and financial services
PEMA Finance Strategy

Meeting diverse needs and helping appropriate segments “graduate” to formal finance.

- Value chain partnerships
  - Input financing for FBAs
  - Contract farming via FBAs
- Community-based financial awareness workshops (farmers)
- Savings and loans group linkages:
  - Ag support via FBAs
  - Formal accounts
- Strengthening digital “footprints”
- Formal finance through Opportunity Bank of Mozambique (FBAs and farmers)
Farming as a Family Business

Institutions empower women as part of their business model.

- **Reach women** as clients and family members of clients
- **Engage farmers as a family**, providing a business rationale: participatory, well-managed family farms are more prosperous, unified, and peaceful

Farmers manage their farms as a business.

- **Engage and train family workers** by acknowledging working family members as employees or co-managers. Provide with training and information, delegate
- **Incentivize working family members** with transparent compensation and a voice in family spending decisions
Results from Action-Research

- High ratio of female farmers: 40%, compared to typical 25-30%
- High ratio of transactions by female farmers and FBAs
- Men and women report positive farm output, earnings
- Indicative reports of qualitative women’s empowerment and gender change
Izaquiel (male client)

Involving his family in the farm business

Izaquiel is a male farmer with six children from two wives. He grows kale and cucumbers on an acre of land. “My FBA Tangai has been a great relief to me and my family.” Tangai introduced FaFB to Izaquiel’s family. Izaquiel’s wife reports, “We work in the farm. He used to just tell us what to do, but we now plan and work as a family. When he is not around and customers come by, we can sell vegetables ourselves.” Izaquiel explains his motivation for making this change. “When PEMA came, I saw the need to involve my family in my business so in case I die today, they will continue with the business and take care of my children.”
Success Factors from PEMA Pilot

Two years into an Opportunity iDE Partnership

- Adapting a flexible model to diverse socioeconomic conditions
- Reaching women through both male- and female-dominated channels
- Integrating gender strategy (Farming as a Family Business) throughout capacity building rather than one-off “gender trainings”
- Investing in women leaders: female demonstration farmers show women’s capacity to handle complex technology while instinctively adapting technologies to better suit women and act as positive role models
- Pursuing multiple avenues for financial services: ensure the Ag Development team has financial services expertise
Recommendations and Resources
Recommendations

For practitioners and joint industry action

For Practitioners:
- Pursue aligned action as you advance strategy: gender analysis and strategy development provide focus and raise institutional awareness, but can take time
- “Women” are not a market segment: segment first, then analyze gender
- Go beyond counting women, engage families

For Broader Industry Support:
- Broaden industry support from leadership groups (RAF, ISF, Cocoa Foundation) for joint learning, analysis, strategic thinking, and incorporation of women’s empowerment into the global AgFinance agenda.
- Strengthen gender analysis and guidance in AgFinance industry-level work
- Generate more usable gender data and analysis—solve the “household survey” challenge that focuses analysis on male heads of household
- Facilitate joint action (i.e. joint guarantee fund to buy down risk)
Empowering Women through Agricultural Finance (PEMA Project)

Tangible Benefits Reported by AgFinance Clients

Gender Analysis of AgFinance in Ghana and Mozambique
Please post questions and comments in the chat box in ZOOM!
Annex 1: Gender Analysis
Gender Analysis Methodologies and Use Process

Extensive Methodologies Used:
▪ Random sample survey of clients
▪ FGDs with clients and non-clients
▪ Utilized national data (Findex, CGAP Smallholder survey)
▪ Leveraged existing data on AgFinance operations
▪ In-depth staff interviews
▪ Advisory committee of diverse Opportunity and partner stakeholders

AgFinance Team Processing and Use:
▪ Internal stakeholder dialogue
▪ Incrementation improvements throughout
▪ Gender strategy brief
## Findings: Barriers to Women’s Access & Retention

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<tr>
<th>Theme</th>
<th>External Barrier</th>
<th>Internal Barriers</th>
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<tbody>
<tr>
<td>Male-Dominated Structures</td>
<td>Male dominance and women’s deference in social structures, agricultural groups, markets.</td>
<td>Opportunity outreach leverages existing, male-dominated structures, groups, markets</td>
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<td>Partner Bias</td>
<td>Some partners see engaging women as “social”</td>
<td>Low awareness, capacity to understand/serve women.</td>
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<td>Capacity Barriers</td>
<td>Women’s barriers include: literacy, assets, mobility, time, mobile phone use, confidence</td>
<td>Requirements are out-of-reach or ill-fitted for many women; no specific inclusion efforts made</td>
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<td>Risk Aversion</td>
<td>Women and/or their husbands are reluctant to guarantee others’ debts and/or take additional risks</td>
<td>Products/services not well aligned to rural households: family dynamics not part of model; loans limited to inputs/farm; some challenges with group model</td>
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# Findings: Segmentation of Women Ag Clients

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<th>Market Segment</th>
<th>Key Characteristics (Market Size, % of all rural women)</th>
<th>Aligned AgFinance Strategy</th>
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| **High-Potential**   | *Market Size Ghana: 55%*  
*Market Size Moz: 40%*  
- Financially Included  
- Own Phones  
- Poor-Middle Income  
- Diverse education levels  
- Growth orientation  
- High autonomy | **Develop the Business Case**  
- Market credit & digital, adapt education/marketing  
- Innovations: Incorporate this segment’s demand  
- In Ghana: focus equally on off-farm Ag enterprises  
- In Moz: Focus equally on diverse rural financing |
| **Just Out of Reach** | *Market Size Ghana: 25%*  
*Market Size Moz: 30%*  
- Financially Excluded  
- Use Phones, may own  
- Very poor-poor  
- Limited-No Literacy  
- Seeking income security/diversity  
- Moderate autonomy | **Financial Inclusion Program**  
- Approach as clients and wives/daughters  
- Informal finance, basic digital (MM)  
- Basic financial education  
- “Last Mile” farmer support  
- Farming as a Family Business  
- Seek to graduation, “mainstream” |
| **High Need**         | *Market Size Ghana: 20%*  
*Market Size Moz: 45%*  
Poor-Very poor, vulnerable | **Not AgFinance Clients:** Cash Transfer Facilitation, with aid agencies,  
+ digital finance & basic Ag Training |