



AGRICULTURAL FINANCE GENDER ANALYSIS GHANA AND MOZAMBIQUE

Submitted to DFID

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OPPORTUNITY
International



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Table of Contents

Gender Analysis of Agricultural Finance in Mozambique and Ghana

1. How well is Opportunity serving women farmers?
2. How could Opportunity better serve this market segment?
3. What is the market potential for additional rural finance to women?
4. How could commercial/formal finance better reach this market?
What can be done to enhance financial inclusion for poor, rural women?
5. Recommendations for Opportunity Agricultural Finance Program



1

**How well is Opportunity serving
women farmers?**



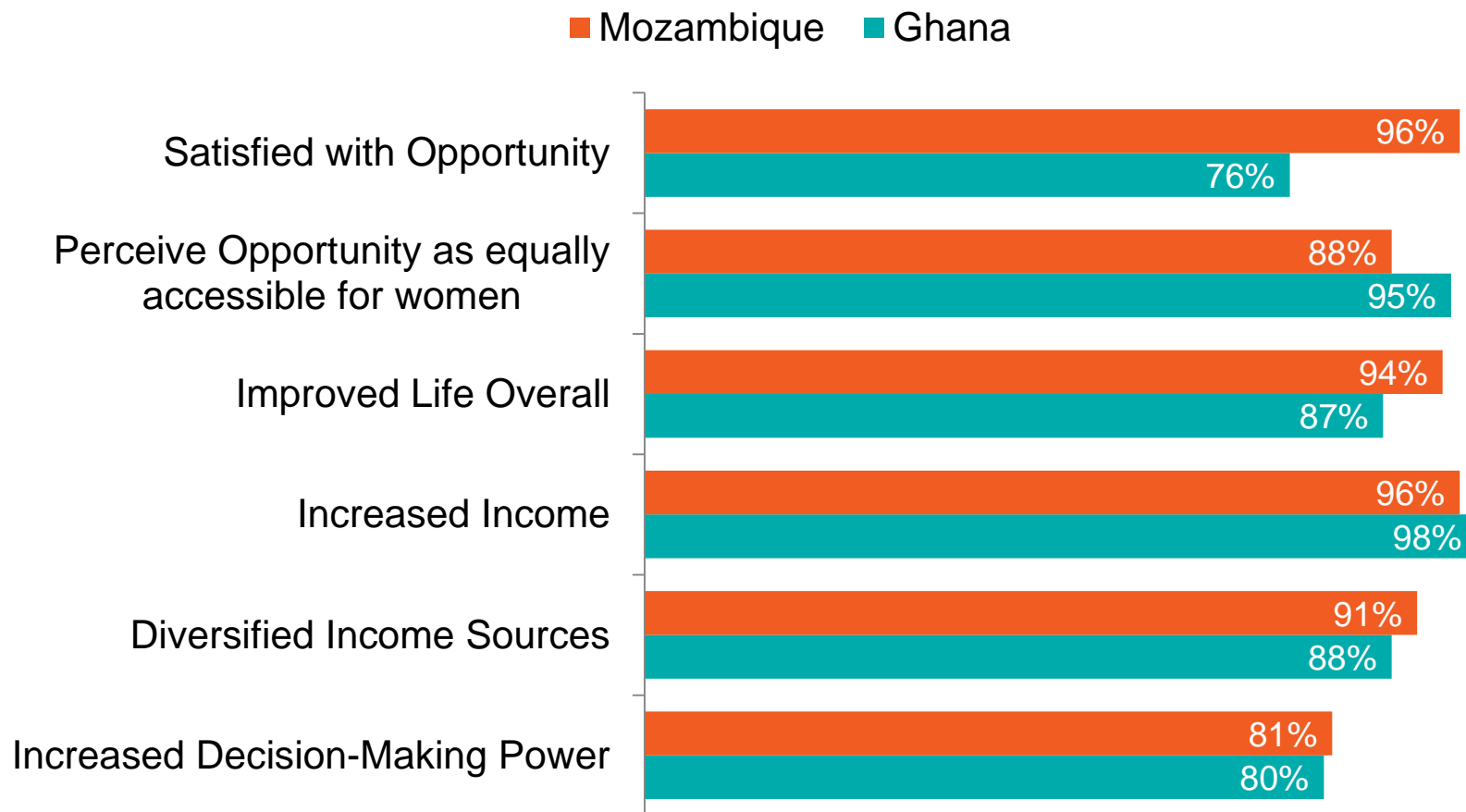
Good News!

Women AgFinance clients:

- See Opportunity as welcoming and non-discriminating to women: 100%
- Are highly satisfied with Opportunity: 98% Mozambique, 78% Ghana
- Recognize Opportunity and its partners as the main reason for their **increased farm productivity**: 91% Mozambique, 86% Ghana
- Experience improvements in their lives **as a result of Opportunity**:
 - ✓ Overall
 - ✓ Income
 - ✓ Income diversity
 - ✓ Decision-making power
- Would like additional services from Opportunity



Positive Feedback – Women Client Survey



Client Story

Lucia, Mozambique

When Lucia's husband divorced her, she needed to start working so she could support herself and her four children. Her original plan was to sell tea and snack foods in her local market, until it closed down for repairs. Then, with support from her Opportunity Trust Group, Lucia began working as a wholesaler – travelling to more remote communities to buy beans from smallholder farmers and then sell them in town. Lucia appreciates both the loan from Opportunity, along with business training. This has included how to develop a business plan and saving to cover loan repayments. Lucia plans to continue to grow her wholesale business so she can continue to support her family.



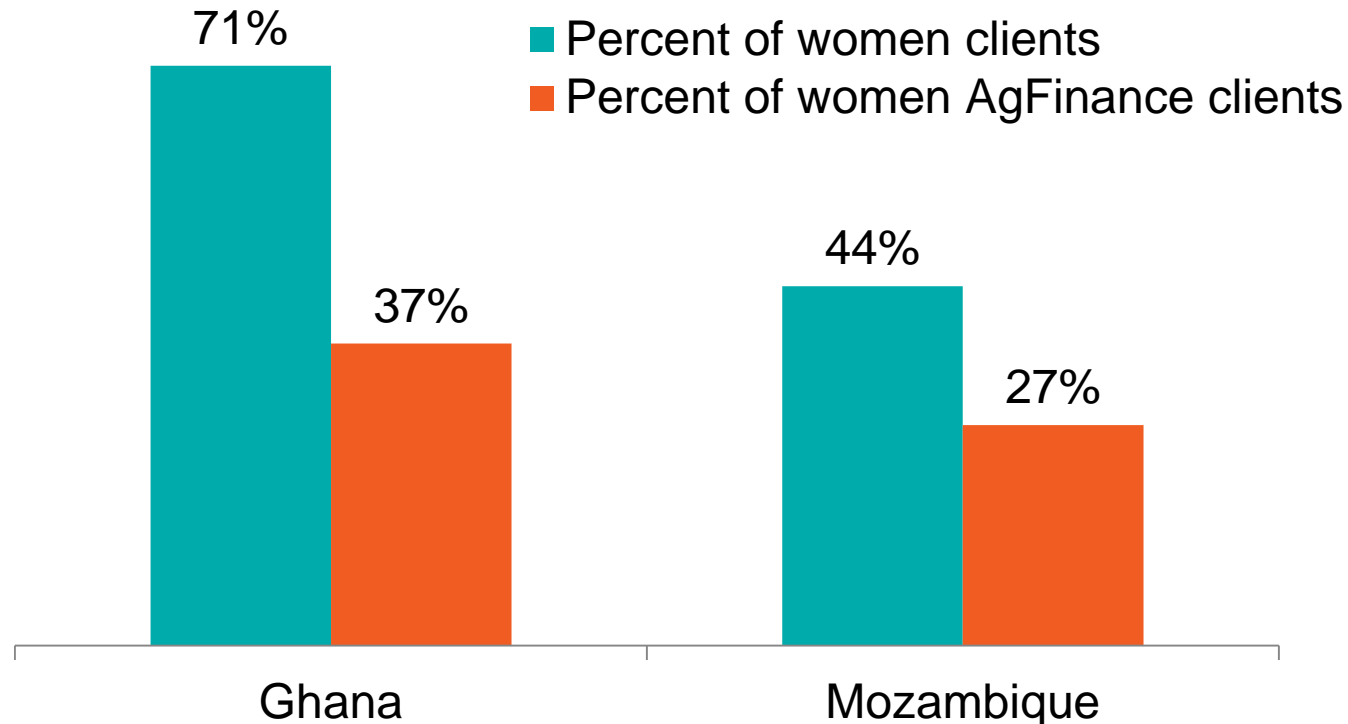
1. How well is Opportunity serving women farmers?

What are the barriers?



Women Less Represented in AgFinance

But if women clients are satisfied and want more services, then why is this?



Barriers to Women's Access & Retention

External to Opportunity	Internal to Opportunity
<ul style="list-style-type: none">• Male dominance and women's deference in social structures, agricultural groups, markets• Women's capacity barriers: literacy, assets, mobility, time, mobile phone use, confidence• Client risk aversion: women and/or their husbands are reluctant to guarantee others' debts and/or take additional risks• Partner bias: some partners see engaging women as "social"	<ul style="list-style-type: none">• Opportunity outreach leverages existing, male-dominated structures, groups, markets• Requirements are out-of-reach or ill-fitted for many women; no specific inclusion efforts made• Products/services not well aligned: family dynamics not part of model; loans limited to inputs/farm; some challenges with group model• Low awareness, capacity



2

**How could Opportunity better serve
this market segment?**



Serving Current Client Base Better

With a focus on gender-specific recommendations

- 1. Marketing/outreach:** Market to women, in and outside typical, male dominated groups, outreach structures, partners; make the business case to partners
- 2. Products:** Expand beyond input financing, design for women
- 3. Process/services:** With planned improvements, consider women's capacity especially access to mobile phones and payments, literacy
- 4. Innovations:** With current/planned improvements in AgFinance, design with women clients and gender dynamics in mind
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3

**Market Potential:
Who is Opportunity serving?**

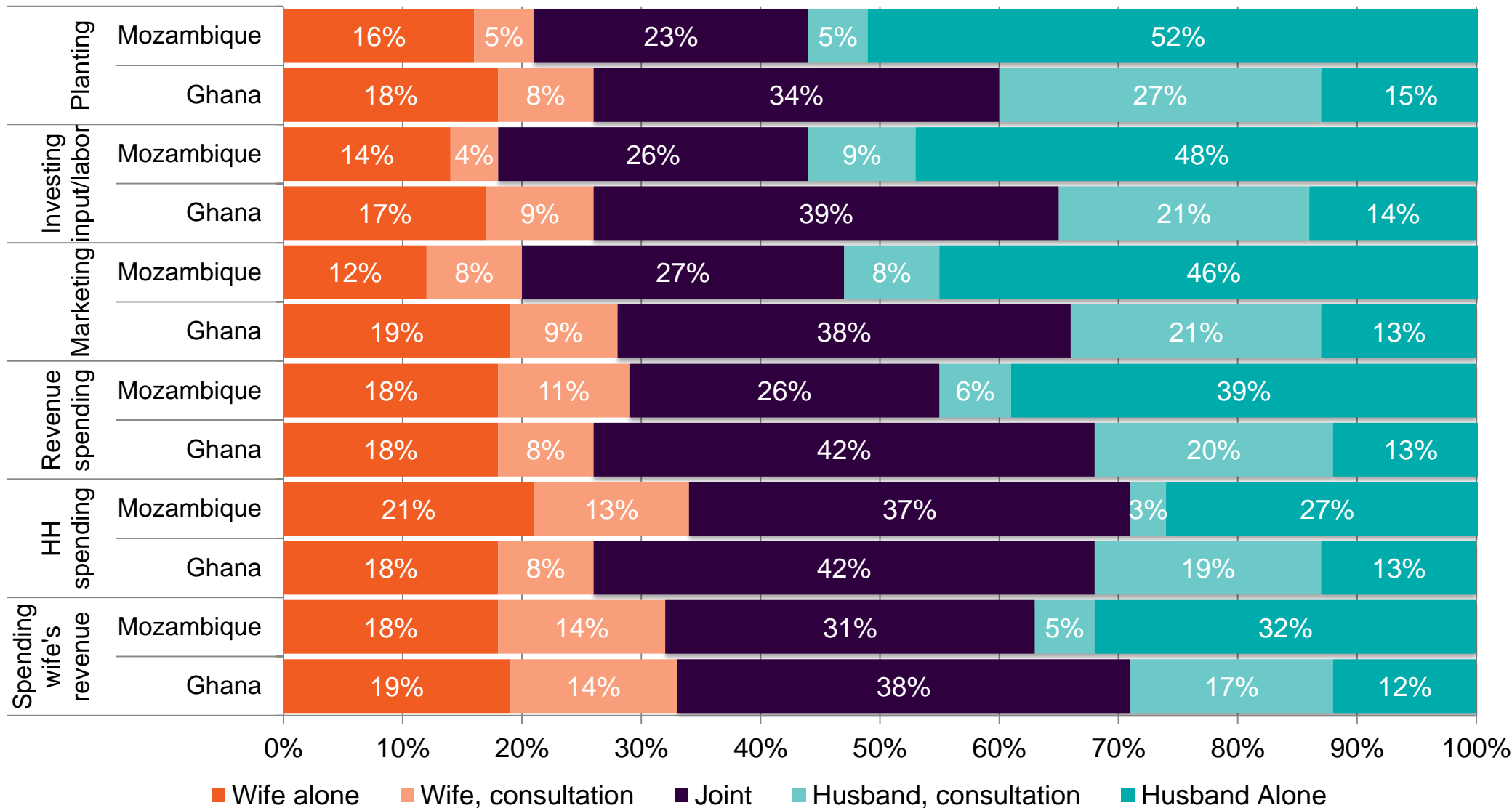




“Typical” Female AgFinance Client

Characteristic	Ghana	Mozambique
Age: 30-50	62% (31% over 50)	65% (13% under 30)
Low Education	Some/completed primary 50%	Some/completed primary 65%
Married	76%	78%
Both men and women earners in the household	57%	48%
Joint/collaborative decision-making is high (from survey of male and female clients)	54% joint/collaborative 26% make decisions alone	66% joint/collaborative 15% make decisions alone
Save in diverse ways (Survey of women clients)	60% save, Half in financial institutions, 38% informally (groups and Susu)	28% save, half at home, 25% each in savings groups and financial institutions
Agriculture is main income	70%, 90% also have business	72%, 90% also have business
Farm for sale and consumption	86%	58%, 25% mainly consumption
High family/individual land “ownership”	64%, 18% rent	96%, 48% of women “own” the land they farm
Diverse market channels (likely due to Opportunity)	28% wholesalers; 39% intermediaries, 51% local	26% wholesalers; 33% intermediaries, 41% local
Crops	Diverse: maize (21%), horticulture (14%)	Concentrated: maize (81%),

Decision-Making (new male and female clients)





“Typical” Woman AgFinance Client

Characteristic	Ghana	Mozambique
Age: 30-50	62% (31% over 50)	65% (13% under 30)
	Some/completed primary 50%	Some/completed primary 65%
Married	76%, 38% head of household	78%, 18% head of household
Both men and women in the household earn	57%	48%
Joint/Collaborative decision-making is high	54% 26% make decisions alone	66% 15% make decisions alone
Save in diverse ways	60% save, Half in financial institutions, 38% informally (groups and Susu)	28% save, half at home, 25% each in savings groups and financial institutions
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High family/individual land ownership	64%, 18% rent	96%, 48% of women “own” the land
Diverse market channels	28% wholesalers; 39% intermediaries, 51% local	26% wholesalers; 33% intermediaries, 41% local
Crops	Diverse: maize (21%), horticulture (14%) plantain (13%), cocoa (12%),	Concentrated: maize (81%), sesame (40%), beans (38%),

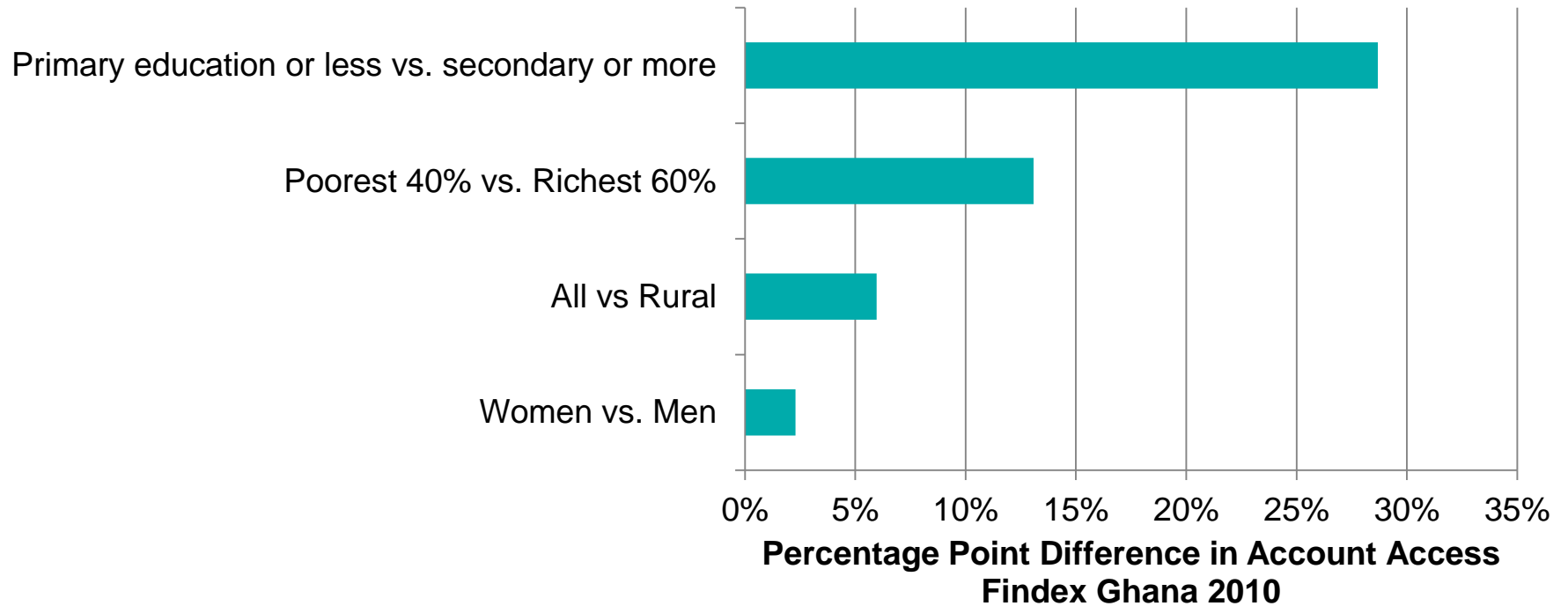
3. Market potential: Who is Opportunity serving?

**Who are other potential clients?
Who is just out of reach?**



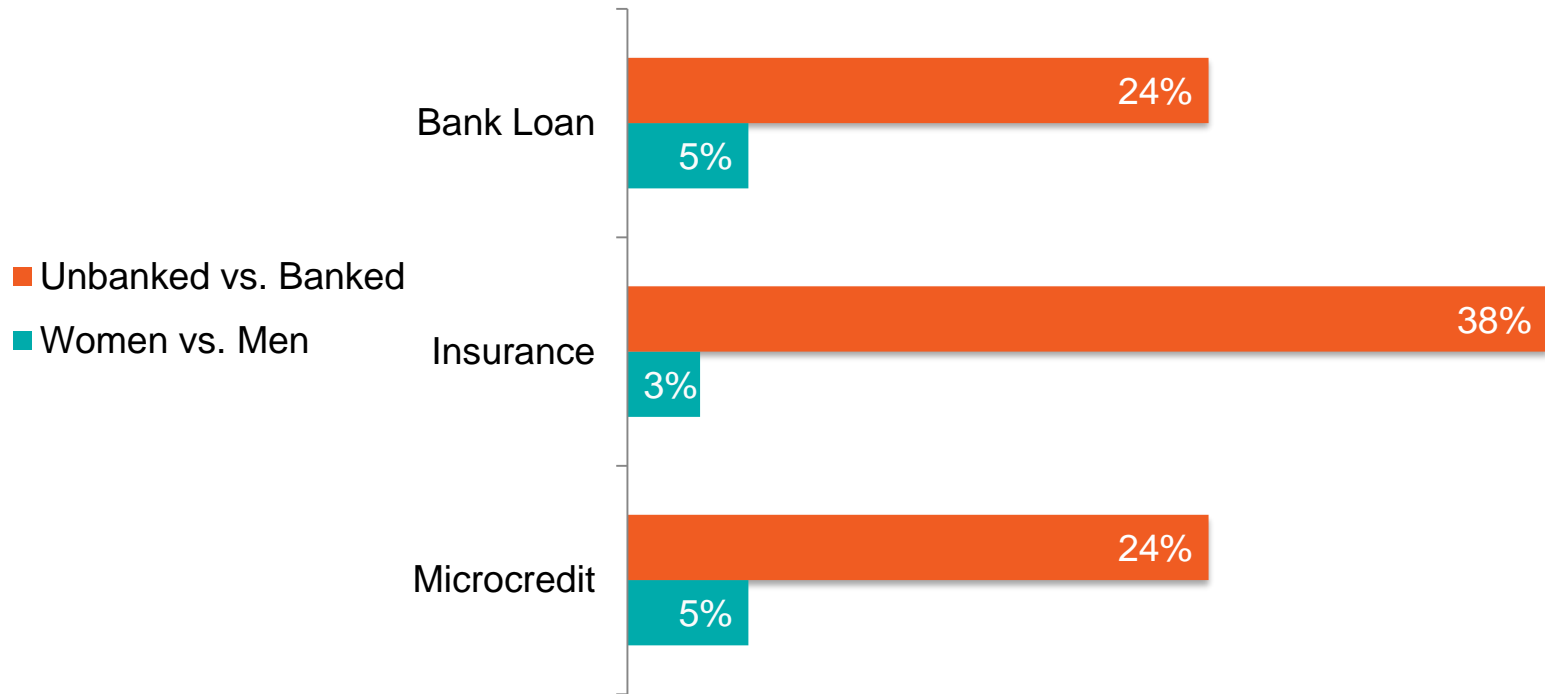
Non-Gender Factors Create Market Segments

Segment First, Analyze Gender Second



Financial Awareness: Same Pattern

Factors Leading to Being Banked, and Being Banked Itself, are More Significant than Gender



Percentage Point Difference in Awareness
Findex Mozambique 2014



Channels for Financial Information

Finscope Data Ghana 2010; Mozambique 2014

- Different channels between countries:
 - Ghana: Radio, TV, Friends/Colleagues/Family
 - Mozambique: Friends/Family, Community Leaders, Not Sure/No Help, Banks, Community Radio
- Little gender difference
- In Ghana little difference whether banked or unbanked
- In Mozambique, banked populations rely on banks more for financial information

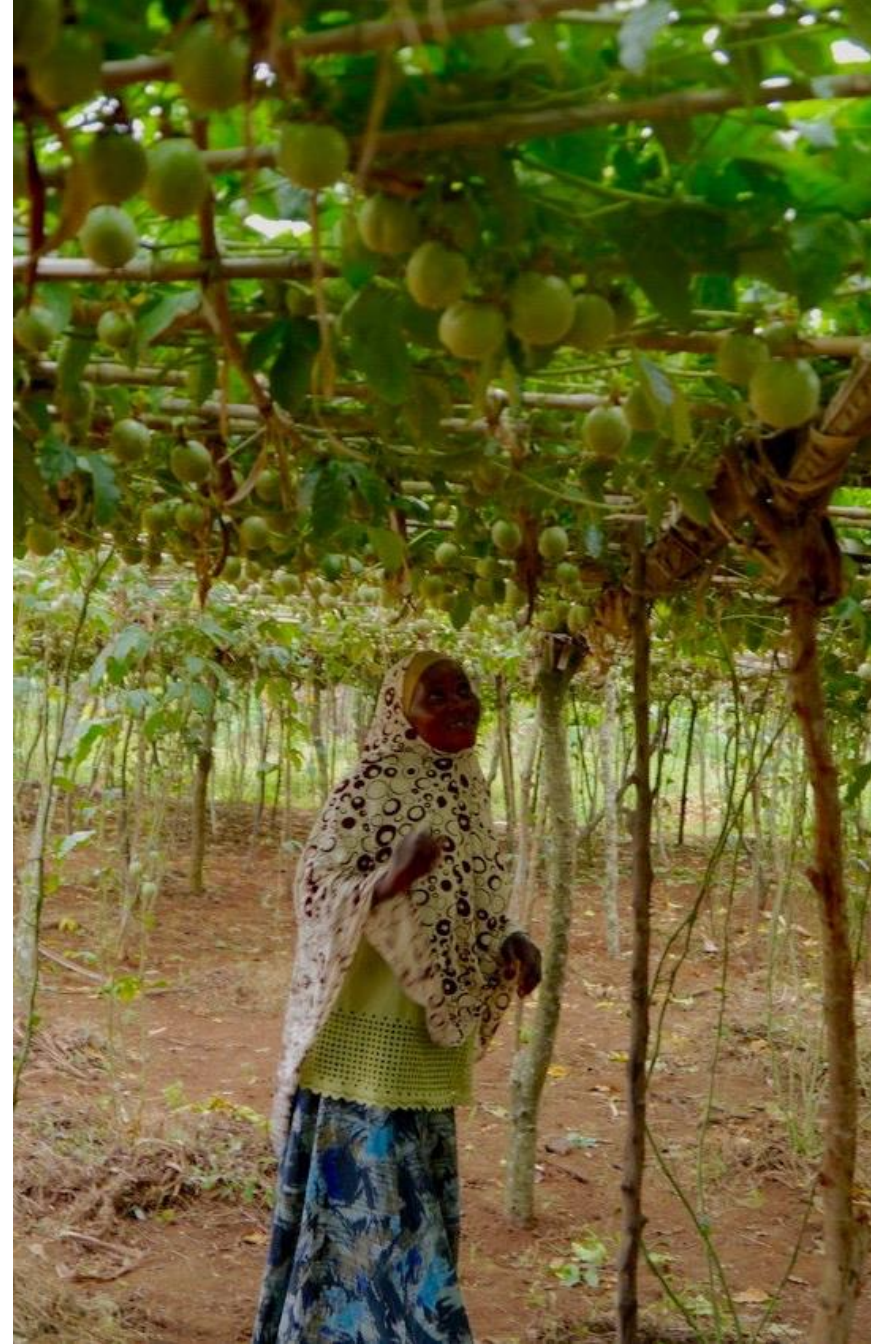
***So: Let's identify different market segments,
and the gender dynamics in them.***



Rural Finance Segments

(Applies to men and women)

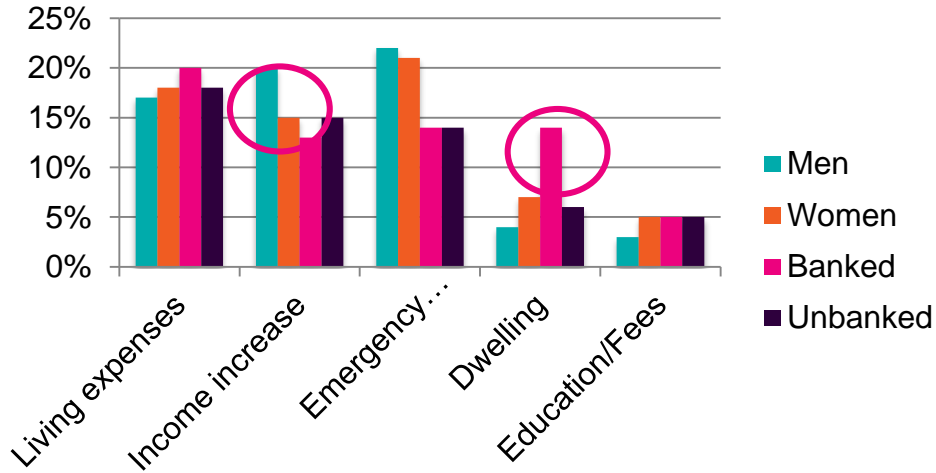
1. High potential rural market
2. Excluded, with good potential
3. Higher need, subsistence farmers



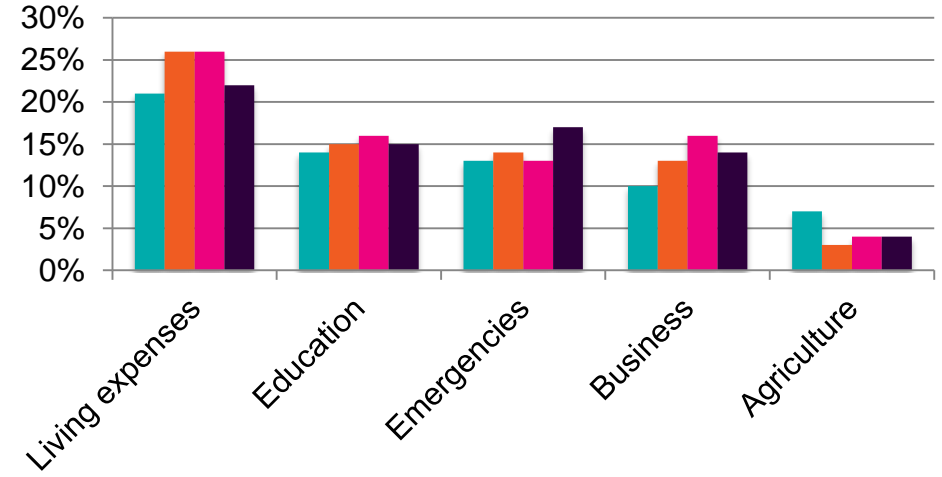
	High Potential	“Just Out of Reach”	High Need
Financial Inclusion	<ul style="list-style-type: none"> Banked, desire more services OR <ul style="list-style-type: none"> Using Informal finance, ready for “next step” 	<ul style="list-style-type: none"> Using mobile phone Not using formal or informal finance 	<ul style="list-style-type: none"> Not using mobile phone Not using formal or informal finance
Economic Status	<ul style="list-style-type: none"> Diverse: from poor to middle income 	<ul style="list-style-type: none"> From very poor to poor 	<ul style="list-style-type: none"> Very poor, ultra poor
Education	<ul style="list-style-type: none"> Diverse, some primary and some secondary 	<ul style="list-style-type: none"> Some primary 	<ul style="list-style-type: none"> Little to no education
Drive	<ul style="list-style-type: none"> High performing, growth-oriented leaders OR <ul style="list-style-type: none"> Seeking increased income, a more secure future 	<ul style="list-style-type: none"> Seeking income diversity and security 	<ul style="list-style-type: none"> Seeking food security, to meet basic needs and become stable
Farm/ Business	<ul style="list-style-type: none"> Ghana: wholesalers/retailers, processors, input suppliers Mozambique traders/farmers 	<ul style="list-style-type: none"> Farming for sale and consumption 	<ul style="list-style-type: none"> Farming for consumption
Size (very rough)	<ul style="list-style-type: none"> Ghana: 55% of rural adult women (30% formal) Moz.: 40%, 20% banked 	<ul style="list-style-type: none"> Ghana: 25% Mozambique: 30% 	<ul style="list-style-type: none"> Ghana: 20% Mozambique, Approx. 45%
Autonomy	<ul style="list-style-type: none"> High autonomy High decision-making power 	<ul style="list-style-type: none"> Moderate mobility High decision-making role 	<ul style="list-style-type: none"> Low mobility Low decision-making

Demand for Financial Savings & Loans

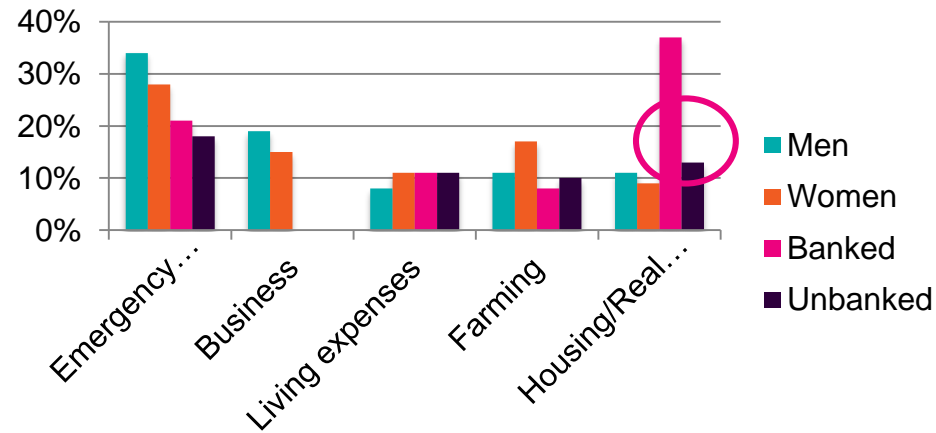
Reasons for Saving (Mozambique, 2014)



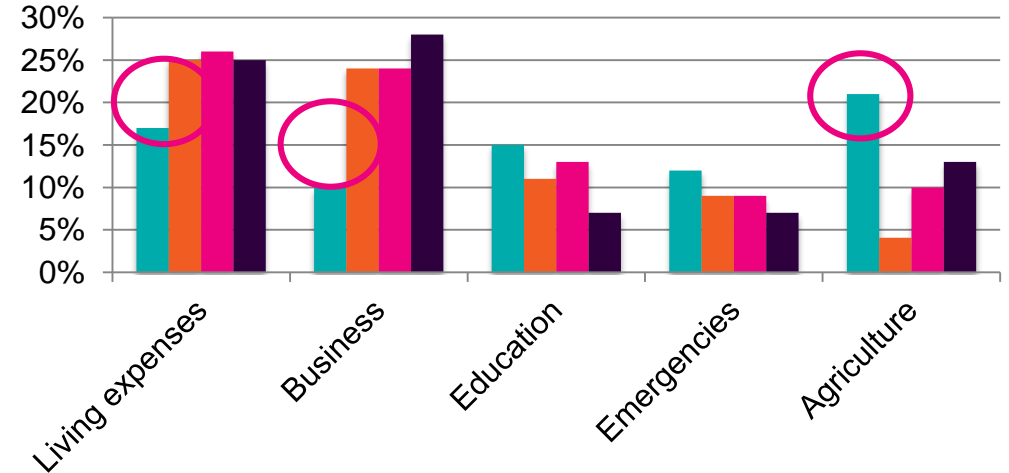
Reasons for Saving (Ghana, 2010)



Purpose of Borrowing (Mozambique 2014)



Purpose of Borrowing (Ghana, 2010)



4

How could commercial/formal finance better reach this market? What can be done to enhance financial inclusion for poor, rural women?



Competitive Position

Opportunity is well-positioned in rural markets

- **Ghana:** market is more competitive, clients have some options, but not in most targeted rural communities. OISL is large.
 - OISL is identified by 16% of women as a good source for a personal loan, and 28% as a good source for a business loan (Findex, 2011).
- **Mozambique:** there is virtually no competition in most rural locations for farmer business, and little for general financial services at the base of the pyramid in rural areas. BOM is small.
 - BOM is identified by 2% of men as best for current accounts (Findex 2014).
- **Among clients in Ghana and Mozambique,** clients report having no other options for agricultural finance in their locations.



Potential Services/Approach for High-Potential Rural Market

Under-served but included women with high effective demand

- AgFinance: Same 5 recommendations as for current client base (repeated next slide)
- Financial education:
 - What services and tools are available to help with which financial goals? Focus on credit, how to access it and how to protect yourself
 - Awareness and information about developing a digital footprint, and how-to training
 - Farming/doing business as a family: enhancing business skills and improving family work and money management – channel to male and female clients
- Improved general finance:
 - Simpler communications about products and services
 - Greater diversity of financial products/services
 - Incentives for loyalty, use of multiple products, achieving savings goals, etc.
- For enhanced convenience (proximity) and safety: high potential for digital finance, but with careful design, introduction and customer care



Serving Current Client Base Better

With a focus on gender-specific recommendations

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Potential Services/Approach for “Just Out of Reach” Rural Market

Financially excluded women with reasonable capacity for formal AgFinance

- Approach directly– leverage women’s groups - or as wives of male clients, i.e. farming as a family business
- Fundamental farming and business skills
- Financial education: financial goals, tools
- Access to mobile money, strengthen digital footprint
- Informal finance (savings and loans groups), agricultural groups, or easy-access digital finance
- “Graduate” to AgFinance, formal finance, more complex digital finance



Potential Services/Approach for High-Need Rural Market

Very or ultra-poor, food insecure women

- Approach directly – leverage women’s groups – or as wives of male clients, i.e. farming as a family business
- Approach through husbands (fathers), (using farming as a family business), or social support organizations
- Engage in “next step” farming and financial education with family members, social support groups
- Enhance decision-making roles in family, confidence
- Offer direct services that fit the family needs and reduce vulnerability (potentially help obtaining phone, ID)
- “Graduate” to informal finance and farming for sale



5

Recommendations for Opportunity



Recommendations

1. Develop gender strategy for AgFinance *incrementally* along with process improvements, innovations, regular strategy updates; no bandwidth or funding for a large, separate initiative
2. High priority action areas:
 - Improved marketing
 - Women's inclusion in digital finance, global value chain work, innovations
 - Pilot initiatives to develop internal models, capacity, leadership
3. For men and women, AgFinance teams should segment the market and enhance rural finance offerings—integrate gender recommendations from this report into these shifts



Recommendation #1

Incremental Gender Strategy

General Response: How do we operationalize this? We don't want to "tick a box," we want a substantive, practical approach. Also, there are potential synergies and efficiencies to be gained from tackling a youth strategy at the same time. A regional workshop on gender should help make the recommendations more tangible.

Specific Recommendations:

1. Articulate a clear objective, and a few guidance statements
2. Assign "Champions" on regional team, and in-country (Ag-Managers/CRO)
3. Gender awareness and capacity building, in order to integrate women's empowerment and strengthen gender strategies (DFID budget for workshop & co)

Response: Could be addressed at the regional workshop on gender



Recommendation #2

High Priority Action Areas

1. Improve marketing to women, and cross-selling of rural finance products to men and women
 - **Response:** To be discussed with country AgFinance managers at the regional workshop, and with mainstream bank staff if they are in attendance
2. Women's inclusion in digital finance, global value chain work, innovations
 - **Response:**
 - AgFinance team has started selecting value chains in which women are more active (Shea), and is integrating gender analysis into upcoming value chain analysis/product development work
 - For digital finance and other innovations, the regional workshops should share examples so that the AgFinance team can explore options
3. Pilot initiatives to develop internal models, capacity, leadership
 - **Response:** Yes. Ghana, Mozambique, Uganda and DRC seem like good prospects. This can happen in existing initiatives, and with new funding.



Recommendation #3

Segment the Market – Enhance Rural Finance

1. Make the business case for banks and other partners to better serve women
2. Develop a “financial inclusion” or “transformation” strategy focusing on more excluded women

Response: Although there is a limit right now to budget/plans for customer-level market research, the AgFinance team has a data set of 10,000 households in Uganda (coffee growing areas). This data will be mined and analyzed with segmentation and product development in mind.



Sources of Information

External evaluation conducted by A2F

- Client survey: Random selection of women AgFinance clients
- Focus group discussions with clients, and non-clients (separately)
- Client Journey Mapping exercise with Opportunity AgFinance staff in Ghana and Mozambique
- “Data mining” of FinScope national studies (Ghana 2010; Mozambique, 2014): extracted and analyzed data on rural clients, breaking down by gender and level of financial inclusion
- Reference to baseline survey of new and potential AgFinance clients (male and female), conducted in 2015 in Ghana and Mozambique
- In-depth interviews with Opportunity AgFinance staff
- Findex 2014, Ghana (for up-to-date financial inclusion data)
- C-GAP National Survey and Segmentation of Smallholder Farmers, 2016
- Reference to global and national studies on women and gender in agriculture, and women and gender in financial inclusion





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