

# Gender Analysis of AgFinance in Ghana and Mozambique

Women clients recognize Opportunity's role in improving their farms and lives.

## Project Overview

Opportunity International's (Opportunity's) Agricultural Finance (AgFinance) program helps smallholder farmers increase farm productivity, financial stability, and food security to enhance quality of life. To assess and improve its gender strategy, Opportunity conducted an analysis of its AgFinance program in 2016 with funding from the British Government's Department for International Development (DFID).

## Key Research Findings

- **For Financial Inclusion:** 92% of women clients perceive Opportunity as welcoming to women and 81% of women clients say they have more decision-making power in their families because of Opportunity's AgFinance program. Gender barriers arise primarily when Opportunity recruits clients through traditional, male-led village structures and farmer groups.
- **For Financial Institutions:** To best understand the market potential in serving women with AgFinance, viable market segments must be identified based on factors like location and literacy before segmenting the market by gender. Grasping the diversity of farmers and agri-businesses helps identify the right target market.

## RESEARCH CONTEXT

Half of Africa's farmers are women, yet women have consistently lower access than men to productive resources and opportunities – including land, livestock, training, extension and financial services, and technology. Given the same access to productive resources as men, global research indicates that women farmers could increase yields on their farms by 20-30%. This could raise total agricultural output in developing countries by 2.5-4%, which could in turn reduce the number of hungry people in the world by 12-17%.<sup>i</sup>

## THE PROJECT

Opportunity provides our AgFinance clients with tailored savings and loan products, and then partners with other institutions that deliver high-quality inputs, training, and market access. This comprehensive package is designed to help clients increase their yields and income – enhancing quality of life and improving food security. Since the AgFinance program's launch in 2009, Opportunity has deployed nearly half a million agricultural loans valued at \$80.5 million. As of year-end 2016, there were 106,000 active loans in the six-country portfolio (\$8.5 million). In Ghana, 10,000 farmer clients held an outstanding balance of \$1.8 million. In Mozambique, 2,100 farmer clients had an active loan balance of \$103,000. Approximately one third of Opportunity's AgFinance clients are women (36% in Ghana and 27% in Mozambique). To assess and improve our AgFinance gender strategy, in 2016, Opportunity conducted a gender analysis with funding from DFID, a significant supporter of Opportunity's work.

## CONTRIBUTION TO GLOBAL LEARNING

Over the decades, multiple gender analyses have been conducted of agricultural *development* and financial inclusion, but this research is one of the few focusing on gender in agricultural *finance*. This analysis considers the financial inclusion perspective and the business perspective of financial institutions.



Lucia, a wholesaler from Mozambique, uses her loan to purchase produce in bulk from farmers in remote communities, which she then sells in town. Opportunity trainings have helped Lucia develop a business plan and repay her loan on time. This has allowed Lucia to grow her business and provide for her four children following her divorce.

## RESEARCH QUESTIONS AND INSIGHTS

**What do we know about the women working in agriculture that Opportunity serves?** Opportunity’s women AgFinance clients are diverse in terms of crops farmed, marketing channels, age, education level, and experience with financial services—

- **63% are 30 to 50 years old**, with 31% of Ghanaian clients over 50 and 13% of Mozambican clients under 30.
- **60% have completed or received some primary school**, but in Ghana 30% of clients have no formal education.
- **60% save**, equally preferring formal and informal savings channels. In Mozambique 50% save at home.
- **70% rely on farming** as their main source of income, but 90% also have another business.
- **75% are married**, but only half live with another (male) income earner.

These demographics are comparable for men AgFinance clients. More than half of all AgFinance clients report that they share decision-making with their spouse, although a higher portion of women in Ghana than in Mozambique report making household decisions independently. Understanding the diversity of women AgFinance clients highlights the need to identify more specific market segments – including wholesalers, processors, and input suppliers – and their aligned needs and potential.

### How well is Opportunity serving women working in agriculture?

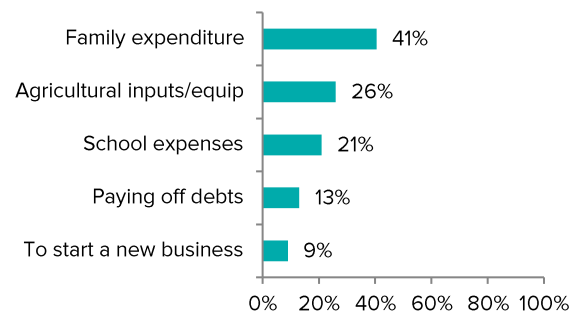
Opportunity’s women AgFinance clients are very satisfied with Opportunity’s products and services. They value Opportunity’s role in growing their farms and improving their lives. Almost all AgFinance clients interviewed see Opportunity as welcoming and non-discriminating to women and recognize Opportunity and its partners as the main reason for their increased farm productivity. Most women AgFinance clients said that they achieved improvements in their lives *as a result of Opportunity*, and would like additional services. In most locations, Opportunity is the only source of agricultural finance open to them.

**How can Opportunity better serve women working in agriculture?** Potential gender barriers women AgFinance clients identified in accessing Opportunity services were overwhelmingly focused on factors external to Opportunity. These include male dominance and women’s deference in agricultural groups and markets, women’s capacity barriers such as low literacy or mobility, client risk aversion, and bias in some of Opportunity’s partners who see engaging women as a “social” side-benefit rather than core to business goals.

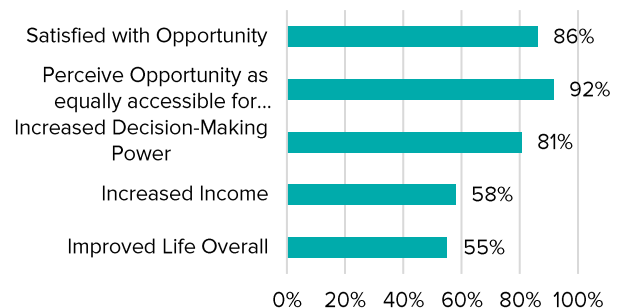
Opportunity is implementing three sets of recommendations emerging from this gender analysis:

1. better market segmentation,
2. targeting value-chains in which women take leadership roles, and
3. piloting innovations to better serve and empower women.

Purpose of Savings - 2016 Survey



Women AgFinance Clients  
(Ghana, Mozambique - 2016 Survey)



<sup>i</sup> Food and Agriculture Organization of the United Nations, “The State of Food and Agriculture.” 2011.