

Agriculture Finance in the DRC

Your Impact Report, Spring 2024

OUR GRATITUDE

A new year, a new opportunity to reach more smallholder farmers in the DRC, a new chance to **say thank you** for your unwavering support of and belief in the people of the DR Congo.

THE SOLUTIONS

Opportunity International's staff and financial institution partners continue to see that Opportunity's proven three-pronged model of **training, access to financial resources, and support** is foundational to long-term success; partnerships with trained financial institutions, well-equipped Farmer Support Agents, and financial products are key components.

PROGRESS ON OUR WORK

As you know, Farmer Support Agents (FSAs) are local farmers who have been successful and are willing to train and help other farmers to succeed as well. **As of November 2023, we have 90 Farmer Support Agents (FSAs) supporting 16,680 registered farmers within the Gemena/Karawa area—53% of whom are women—and 60 FSAs in Kasai.**

FSAs continue to be trained in financial literacy and ag best practices, so they can share those lessons with their network of farmers. Current training modules include group dynamics and savings groups methodology.

- ▶ In Gemena and Karawa, FSAs have connected 350 farmers with VisionFund for group lending products.
- ▶ The FSAs in Karawa have completed registration of their farmers.
- ▶ Farming training manuals have been translated into French and Lingala.
- ▶ We have expanded the teaching module on “Farming as a Family Business” to include ag-adjacent business best practices and rebranded it “Family Business and Entrepreneurship.”
- ▶ Luke Coulson, Opportunity's Director of Client Services, is testing StarLink as a mobile hotspot to aid in the syncing of teaching and program materials onto digital devices for use by the FSAs. VisionFund field banking agents also should be able to use this improved connectivity to reach more clients.
- ▶ In the Kasai region, Chantal Ngwalo, Farmer Support Agent Network Project Officer, onboarded 60 Farmer Support Agents who are projected to support 9,000 farmers; farmers are registering via CommCare. The team is working on the best way to communicate that information on registered farmers to local banks (EquityBCDC) to identify clients who are bankable.

Partnerships: A Key to Success

Opportunity International serves as a link between farmers and financial institutions. We work with local financial institutions to develop products that meet the needs of smallholder farmers.

VisionFund DRC and **Equity BCDC** are financial providers; they open savings accounts and issue loans (VisionFund is currently disbursing loans; Equity BCDC is preparing to disburse loans). Over the past quarter, we have worked with both partners to advance support for smallholder farmers:

- ▶ **VisionFund** launched the first cohort of FSAs and is committed to financing smallholder farmers in Gemena. As of **November 2023, VFDRC has disbursed 1,095 ag loans valued at \$313,410**. Clients for outstanding loans are **68.4% female**. VisionFund is using an existing group financial product modified for agriculture clients.
- ▶ **EquityBCDC** is the second largest bank in the DRC. Christelle Kasende, Opportunity's Senior Technical Advisor in Agriculture Finance, is working with the bank on developing a group product. The bank is interested in working with more mature groups such as cooperatives, while also focusing downstream. EquityBCDC is reviewing a list of Opportunity's more mature savings groups to ascertain loan eligibility.

In February 2023, Opportunity International trained Equity BCDC's credit officers and analysts in agriculture best practices, credit underwriting, and risk management. Over the course of three days, the interactive and participatory training covered topics including:

- Overview of agricultural small and medium enterprises
- Lending cycle, loan decision, and loan structure
- Risk management specific to ag-finance
- Lending appraisal, repayments, and monitoring
- Proposal writing
- Building and analyzing financial statements



"The training was useful, and it will help us to improve our analysis and our reports. It will enable us to mitigate risks and make better decisions. It will be great if you can provide additional training in ag finance."

-Charlene S'ondie, participant in agriculture finance training through Opportunity International and Equity BCDC