

# UPDATE

## KNOWLEDGE MANAGEMENT UPDATE

October 2018

### OPTIMIZING INTERVENTIONS WITH HOLISTIC COMMUNITY ASSESSMENT

**The KM team has developed the Holistic Community Assessment approach based on the concept of shalom**, which captures realities across four dimensions of life: relationship with others, environment, self, and God. This approach captures the day-to-day realities of people through a simple and affordable, yet rich technique based on listening to and scoring stories—providing a valuable insight into people’s lives.

**Insights produced from this approach are used to develop or optimize interventions with transformative effects.** In Colombia, Opportunity’s partner, AGAPE, used the approach. Director of Operations, Mitzi Machado recalls how “during the research process, we heard many stories about relational difficulties. As a result, we made a strategic decision to develop a training program targeting couples. It has been a big success. It is one of our Trust Group leaders’ favorite programs.” In the Philippines, Opportunity partner ASKI sees the tool as crucial to maintaining a current understanding of their clients and has decided to incorporate the approach into the organization’s annual monitoring and evaluation plan.

**The KM team is excited to share with the broader industry after testing this approach over several years and in four different countries.** The full toolkit includes the assessment tool, a user’s guide, an introductory video, and five story videos with discussion questions, launching in Q4 2018.

### AGFINANCE POSITIVELY IMPACTS SMALLHOLDER FARMERS IN GHANA

**Independent impact study of AgFinance conducted.** Opportunity’s AgFinance is one of the most extensive, innovative programs facilitating access to finance for smallholder farmers in Africa and has reached nearly half a million farmers across seven countries since 2009. Opportunity and The MasterCard Foundation commissioned



**KM staff member Abbie Condie (right) observing as members of the ASKI Research and Development team interview a client using the Holistic Community Assessment Approach**

an independent study to measure the impact of AgFinance on smallholder farms and family well-being. The impact study was conducted by NORC at University of Chicago, an independent research institution using a rigorous, quasi-experimental design. Over 1,600 client and non-client households in 70 communities were surveyed in Ghana from 2015 to 2017.

**Economic conditions limited service outreach and magnitude of client impact.** A painful recession combined with uncertain government fertilizer policy affected program implementation and farmer income, thus making it difficult to detect financial impacts. Reduced market demand also meant that average farm revenue was lower than anticipated.

**AgFinance services have a positive impact on input spending and farm revenue.** Nevertheless, the study found that AgFinance loans directly increased farmers’ spending on inputs (e.g. fertilizer, seeds) by 42%. This, in turn, increased farm revenue by 5% and net farm revenue by 1%. Client and non-client household income remained comparable. Clients and non-clients were also asked to rate the performance of their farms and their household well-being over the study period. ▶

**A higher percentage of clients reported improvements in their farm performance,** including farm yield, output, and income (10-13 percentage points greater) compared to non-clients. Clients also reported more progress in terms of household wellbeing, including financial status, managing financial shocks, and food availability during hungry seasons (10-14 percentage points more than non-clients). These positive (but modest) impacts were found despite challenging economic conditions. Additionally, this study demonstrated that AgFinance does not erode livelihoods during periods of economic recession. Opportunity can assume a higher magnitude of impact on farms and households under better economic conditions.

**The findings from this study verify the positive impact of AgFinance and validate key strategic directions of the program,** including farmer-focused risk management through flexible guarantee funds; a programmatic focus on fewer, high-potential crops; and increased outreach via digital channels to rural farmers.



FBA's, PEMA staff, and Tim Strong, AgFinance Director of Operations (bottom row, second from the left) at an action-learning workshop in Chimoio, Mozambique

## RESEARCH ON WOMEN'S EMPOWERMENT DRIVES PROGRAM STRATEGY REFRESH

**The KM team has been supporting the AgFinance program to refresh its gender strategy.** Core to this process was the *Increasing Women's Economic Empowerment through Agriculture* (PEMA, in Portuguese) action-research pilot program. This innovative initiative is a market-based approach that delivers agricultural support to women farmers in Mozambique, helping them to benefit more equitably from commercial agricultural markets. This was achieved by transforming microentrepreneurs already active in agricultural

markets into Farm Business Advisors (FBAs) who deliver comprehensive support to farmers—including quality inputs, equipment, training, and linkages to financial services and commercial agricultural markets.

**The Farming as a Family Business (FaFB) curriculum was used by FBAs to train farmers on a number of key principles for empowering women as members of family farms.** These include lessons such as engaging families as a unit, training farmers to manage their farms as a business, and encouraging farmers to incentivize working family members.

The following key factors have led to PEMA's success:

- a. *A flexible model* allowing for adaptations to fit local economic and social contexts
- b. *Leveraging both male-dominated (e.g. farmer co-ops) and women-centric (e.g. savings groups) outreach channels*
- c. *Capacity building around women's empowerment* that was integrated at all project levels
- d. *Pursuing multiple channels for finance* to ensure access for both men and women, as many clients could not meet minimum requirements for formal financial services

### Insights from the PEMA initiative have been applied in two main ways:

1. *Lessons learned contributed to the AgFinance program's refreshed gender strategy.* This strategy was publicly shared at a webinar entitled, "Women's Empowerment in Smallholder Finance." The KM and AgFinance teams presented their refreshed agricultural finance gender strategy, spurring fruitful and challenging dialogue. The webinar was hosted by The MasterCard Foundation's Rural and Agricultural Finance Learning Lab. The full recorded webinar and presentation are available at:

[www.rafllearning.org/post/webinar-materials-womens-empowerment-smallholder-finance-combining-social-and-business-goals](http://www.rafllearning.org/post/webinar-materials-womens-empowerment-smallholder-finance-combining-social-and-business-goals)

2. *FaFB is being adapted for farmers in Uganda.* AgFinance will adapt FaFB for broader use across the network, starting with Uganda.

For more insights from this project, read *Empowering Women in Agriculture: Key Success Factors from Action-Research*, available at:

<https://opportunity.org/news/publications/knowledge-exchange/empowering-women-in-agriculture>

## UNDERSTANDING SME CLIENTS FOR SERVICE IMPROVEMENT

In 2018, the KM team studied small and medium enterprise (SME) clients in China and Ghana to improve the quality of service offered to our partners' SME clients.

**In Ghana, a diverse SME client base appreciates Sinapi's services and wants more.** A survey found that nearly all SME clients (93%) are satisfied or very satisfied with financial services provided by Sinapi Aba Savings and Loans (Sinapi). The survey was part of the Financial Inclusion for Enterprise Development (FINEDEV) program funded by the Government of Canada to sustain and create jobs through SMEs, particularly for women.

**Differences between male and female SME clients in Ghana were minimal.** Characteristics such as level of education and number of employees showed no difference based on the SME owner's gender, but were quite diverse. For example, 24% of SME clients have a university degree, while over half did not attend high school. Notably, both male and female SME owners employ large numbers of women. (Employing, on average, 8.6 people: 4.5 men and 4.1 women). However, the most common challenge faced by male and female clients varied. More women saw "competition" as their greatest challenge, whereas for men it was "access to capital." This indicates that male SME owners felt like their business had more potential for growth than their female counterparts.

**SME clients suggested Sinapi reduce loan turnaround time and improve service convenience.** Clients are also interested in additional business training and support but were often unaware of which services would help them.

**The KM team is advising Sinapi on improvements to reach more SMEs** (particularly women) and to help these SMEs improve their business performance, with the overall goal of creating jobs for women in Ghana. Responding to findings from this study, KM has collaborated with Sinapi staff to identify key market segments of women-led SMEs and hone various client engagement steps (e.g. marketing, account use, training) to align with the needs of different SME client segments.

**In China, SME clients remain growth-focused despite challenges.** Recent research in China has allowed Opportunity to gain deeper insights into the SME clients served by our partner, OI China. Chinese SMEs operate in highly-regulated, ever-shifting business environments. Despite difficulties faced, nearly all SME owners interviewed hope to expand their businesses.

**However, SME owners displayed a number of diverse characteristics,** including business size, sector, number of employees, and business risks. Four main types of clients served by OI China emerged, ordered roughly from smallest to largest: clients "Farming to Get By," "Small but Savvy Entrepreneurs," "Farmers Fulfilling Big Dreams," and "Urban Manufacturers." Among these four types, business size ranged from micro- to medium-sized—employing as few as a family member or two to upwards of 100 employees. Businesses were in rural, semi-urban, and urban areas. Roughly half of all SMEs were agriculture-related, either farmers growing crops (e.g. wheat, horticulture) or raising animals (e.g. pigs, chickens). The remaining half were involved in manufacturing or the service industry.

**SME owners also faced a range of distinct risks,** from price fluctuations and environmental policies to the struggles of finding adequate managerial staff and employing appropriate accounting and bookkeeping practices as businesses grow.

**Client segmentation identifies areas requiring unique engagement strategies; KM has proposed a number of solutions** which consider the shared and distinct challenges faced by Chinese SME clients. These include using characteristics such as business sector and size rather than loan amount to determine appropriate levels of and topics for technical assistance and creating a digital library for clients to access training and resources on relevant, business-related topics. Staff can also guide clients towards topics that are especially relevant to their business sector/size.



**Dr. Genzo Yamamoto, director of Knowledge Management (center) after interviewing dog breeder and Opportunity China client Cheng Zhong (left), with interpreter Elyn Jun Zheng**



**Mary Pat McVay, Research and Knowledge Manager (left) facilitating an interactive SME Best Practices Workshop in Ghana for Sinapi staff**

## UNLOCKING PRACTICAL INSIGHTS TO IMPROVE EDUQUALITY

**The KM team partners with EduFinance to continually improvement of education quality services.** KM is working with Education Quality (EduQuality) on a developmental evaluation that is unlocking valuable, practical insights into how to improve implementation of the program in Ghana and Uganda. Insights from school proprietors and teachers participating in EduQuality clusters in Uganda from an August 2018 endline study include the following:

- 1. Proprietors reported improved skills and knowledge, which have led to changes in school management (e.g. teacher retention, budgeting)*
- 2. Teachers became more innovative in the classroom through trainings and greater confidence as other teachers share their experiences*
- 3. Teachers and proprietors both reported that the EduQuality program has improved relationships with one another*

**Adjustments have led to improved attendance and sharing in cluster meetings.** Between the midline and the endline study (one year later), both cluster meeting attendance and sharing within these meetings improved. This was due to more consistent support from Opportunity's Education Specialists, more regular cluster meetings, and strong school leadership buy-in to the program. Future areas for improvement include greater uptake of active rather than passive teaching pedagogies and positive classroom management techniques among teachers through greater emphasis on these topics during cluster meetings.

## INDUSTRY ENGAGEMENT

Attending various industry conferences between September and November 2018, including the following:

- Global Youth Economic Opportunities Summit
- SEEP Network Conference
- Christian Economic Development Network Summit
- CGAP Community of Practice Meeting
- Women's World Banking: Making Finance Work for Women
- Strategic discussions with top Christian organizations around women's empowerment

## OTHER ONGOING PROJECTS

- SME best practice and market value chain research for women SMEs in Ghana
- Researching an interactive voice-recorded messaging pilot with Digital and AgFinance
- Developing guidance: digital education for women clients (Ghana and India)
- Cost analysis of digital finance
- Research to deepen understanding of EduQuality cluster model in Colombia

## KM FUNDRAISING NEEDS

If you believe in the importance of evidence-based approaches, consider supporting one of the KM team's upcoming studies, or contact us at [km@opportunity.org](mailto:km@opportunity.org) to find out more about how you can support other future projects.

- Holistic, contextual training development
- Microfinance Plus Impact study: plus program development
- Client-side research on gender and digital inclusion