



Opportunity International – Agriculture Finance Program





Who is Opportunity International?

- Opportunity International is a global organization that for 53 years has been helping families work their way out of poverty.
- Today, we serve nearly 20 million clients who live in or close to extreme poverty - farmers, educators, microbusiness owners - in 33 countries around the world.
- We believe that access to capital coupled with specialized training and access to markets leads to increases in incomes and assets for our clients.
- We target the most vulnerable populations and track changes in their journey to build sustainable livelihoods by enabling them grow and earn more, send their children to school, as well as creating and sustaining employment in their communities.

Why We Serve

OUR CORE PRINCIPLES

VISION

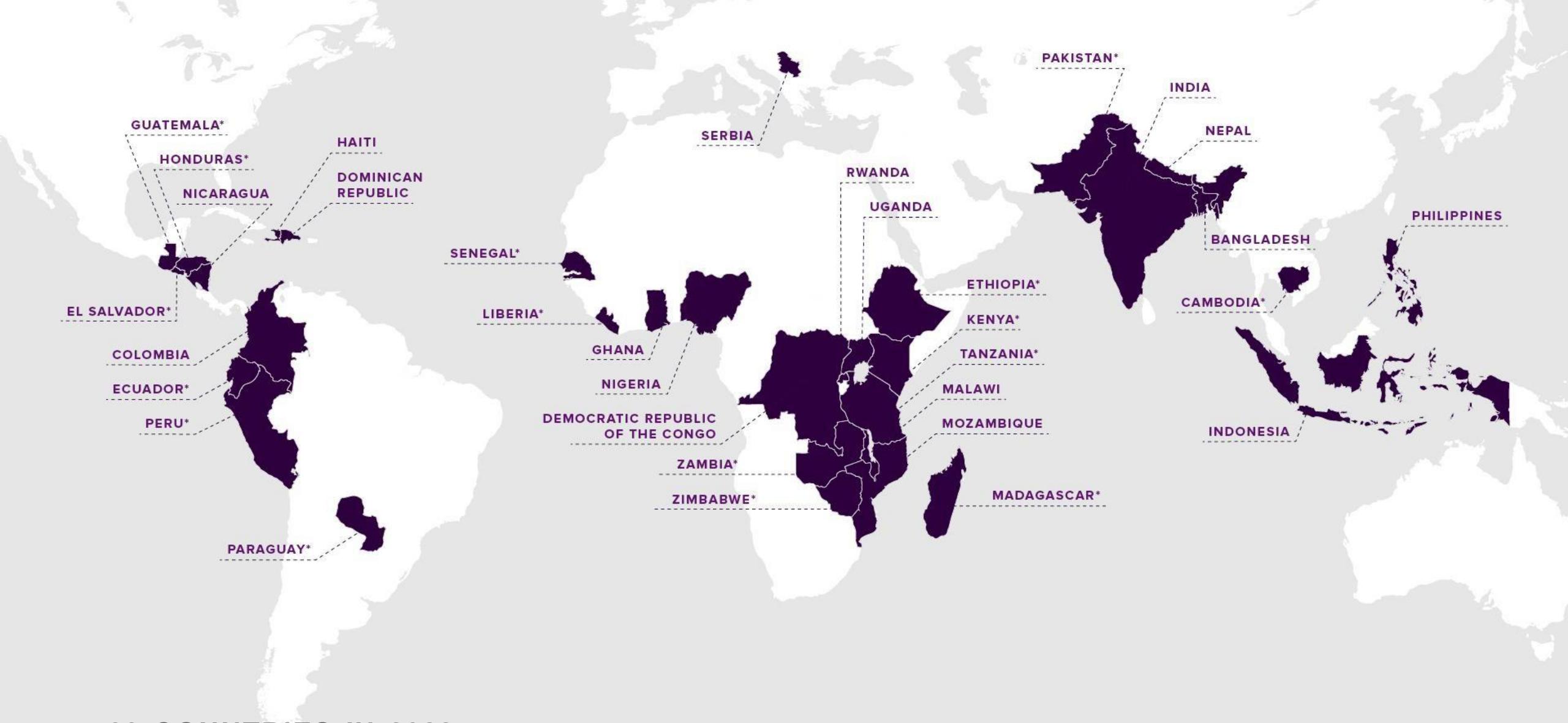
Our vision is a world in which all people have the opportunity to achieve a life free from poverty, with dignity and purpose.

MISSION

By providing financial solutions and training, we empower people living in poverty to transform their lives, their children's futures and their communities.

COMMITMENT

We serve all people regardless of religion, race, ethnicity, or gender.



33 COUNTRIES IN 2023

Our Global Reach

AGRICULTURAL FINANCE

**Supporting Farmers to Grow More and Earn More
Scaling Rural Prosperity**



OPPORTUNITY
International



Meet Faustina

PERSONA RURAL FARMER

OCCUPATION:

Rural Farmer

LOCATION:

Malawi

DEVICES:

Feature Phone (Seasonally)

MARITAL STATUS:

Married with 3 Children

“I need to provide more for my family, and a safe place for my money.”

She is a rural farmer, who has grown up farming, and has no formal education. Her farm is the main source of food and revenue for the family. Erratic weather has impacted yields.

She wants to grow & earn more. She needs education to do so. She is part of a savings group that save and lend to one another. She wants to borrow for inputs and kids' education. Money is scarce, as the group has limited funds. She has no bank account and is distrusting of banks and concerned about fraud. She is unaware of available government aid.

Opportunity AgFinance's Target Segments

Target Clients



VSLAs and WAGs

148K Group Members
US\$37.3mn Invested
US\$950 Avg Group Loan Size

Smallholder Groups

890K Loans Disbursed
US\$300mn Invested
US\$250 Avg Loan Size

Individual & Emergent Farmers

89K Loans Disbursed
US\$68mn Invested
US\$1,200 Avg Loan Size

Coop & Agribusinesses

25K Loans Disbursed
US\$96.5mn Invested
US\$16,000 Avg Loan Size

Client Progression Pathway

Challenges of a Small-Scale Farmer in Africa

AGRICULTURE FINANCE



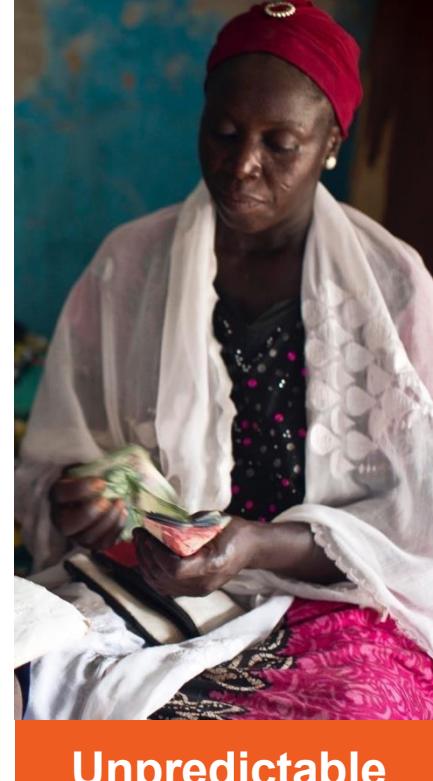
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seeds



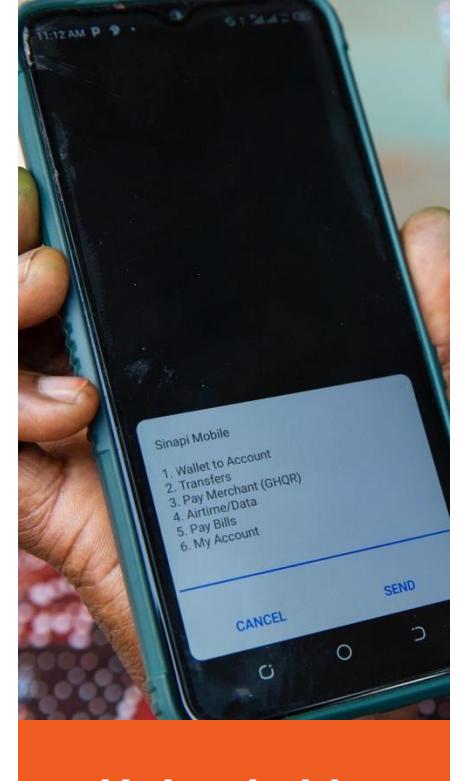
Drought



Small harvests



Unpredictable
Cashflows



Unbankable

WHAT WE DO

OPPORTUNITY AGFINANCE

INCREASE THE FLOW OF CAPITAL TO FARMERS

Strengthen financial institutions with training, credit support & technology

Farmers receive tailored financial products and services

Farming households increase in productivity, income, & employment

STRENGTHEN QUALITY FARMING

Extend training, market linkages, inclusive digital solutions, and climate-smart agriculture

Farmers improve in knowledge and practices, creating more reliable, resilient & inclusive markets



Financial Institution Partners



Proposed match savings and credit product concepts



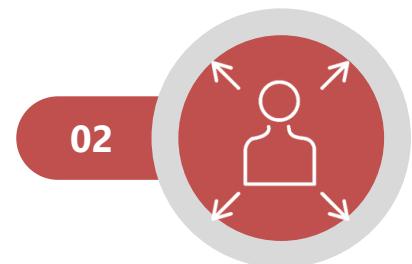
Concept 1: The proposed VSLA match savings account (key features)



01

Type of account

- › Group account



02

Targeted market

Youth farmers with a clear savings objective or joint investment towards

- › Agriculture activities-Agro inputs (implements, fertilisers and disease)
- › Purchase of agro productive asset
- › Any other non-agricultural related savings goal agreed upon



03

Product objectives

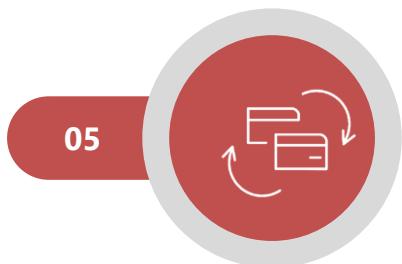
- › To save money for investment in agriculture or non-agricultural related goals
- › To provide a safe place for the youth to save money



04

Product benefits

- › Chance to benefit from the match-up
- › 24/7 digital access to your savings account



05

Transaction and monthly charges

- › No fee account (enable easier accounting at retail)



06

Channel

- › Bank Agents
- › Mobile phone
- › Bank branch

- A significant number of the young farmers lack national identity cards. Therefore, OBUL needed to consider alternatives like the registration form that indicates the National ID Number (NIN).

Concept 2: The match component

01



Deposit policy

- › Any amount as per terms and conditions indicated in contract

03



Penalty (for flouting the Match Savings T&Cs)

- › 5% age forfeiture of match up savings for contravention any of terms and conditions
- › The farmer saves the forfeited amount in order to still achieve the savings objective

04

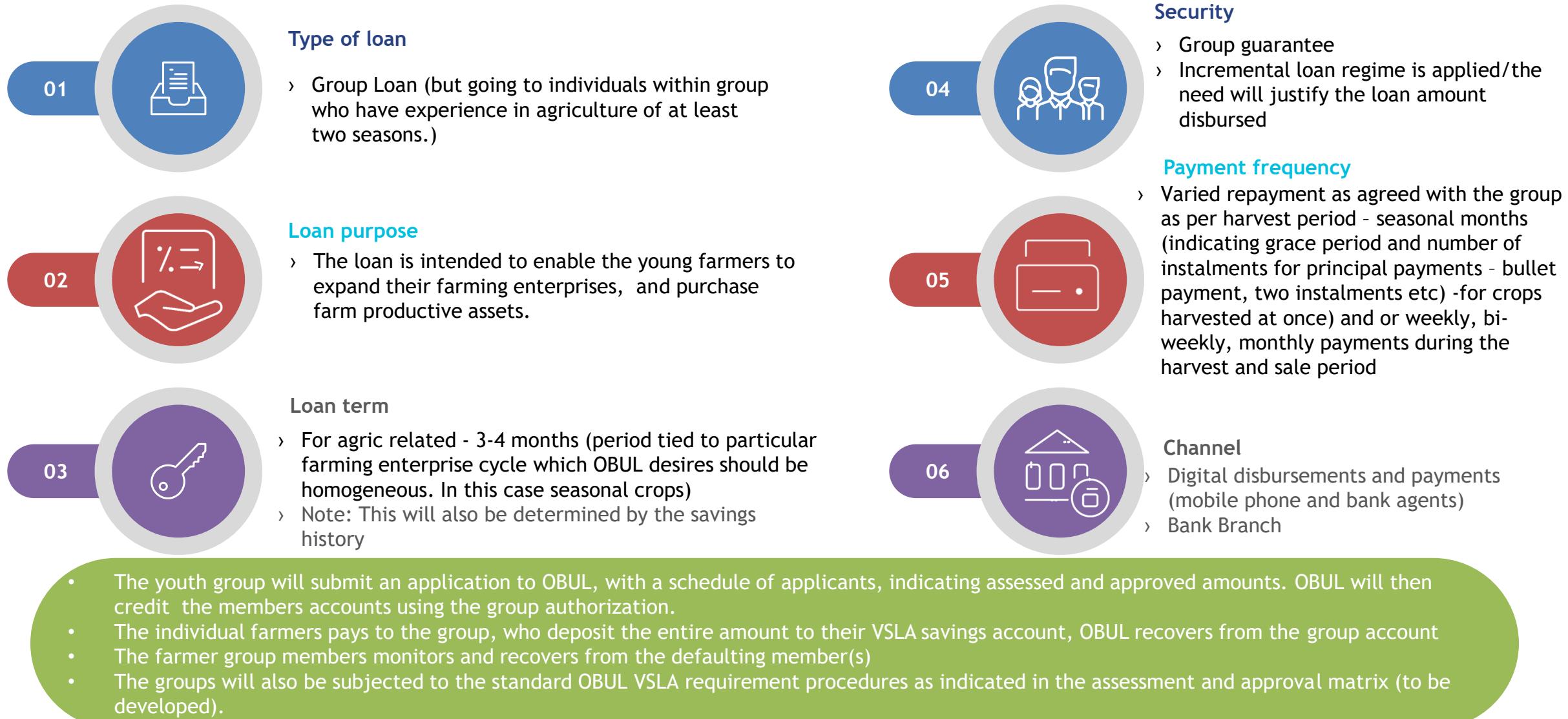


Withdrawal policy

- › Restricted access - until achievement of the saving goal amount (restrictions within the core banking system)
- › Match up savings credited to the savings account

- The group will manage the match themselves by determining how much each of them can save towards the agreed goal/objective
- The match component will be applied on the VSLA Match Savings Account.
- When to match up: This can be done any time on achievement of 50% savings - since objectives or goals, individuals or members savings capacity vary

Concept 3: Adaptation of VSLA Group Credit (with specific consideration for youth farmers)



Learnings

Matching savings motivated VSLA members to save more consistently.

Dependency on matched saving, some groups saved more during the project but reduced after matching ended.

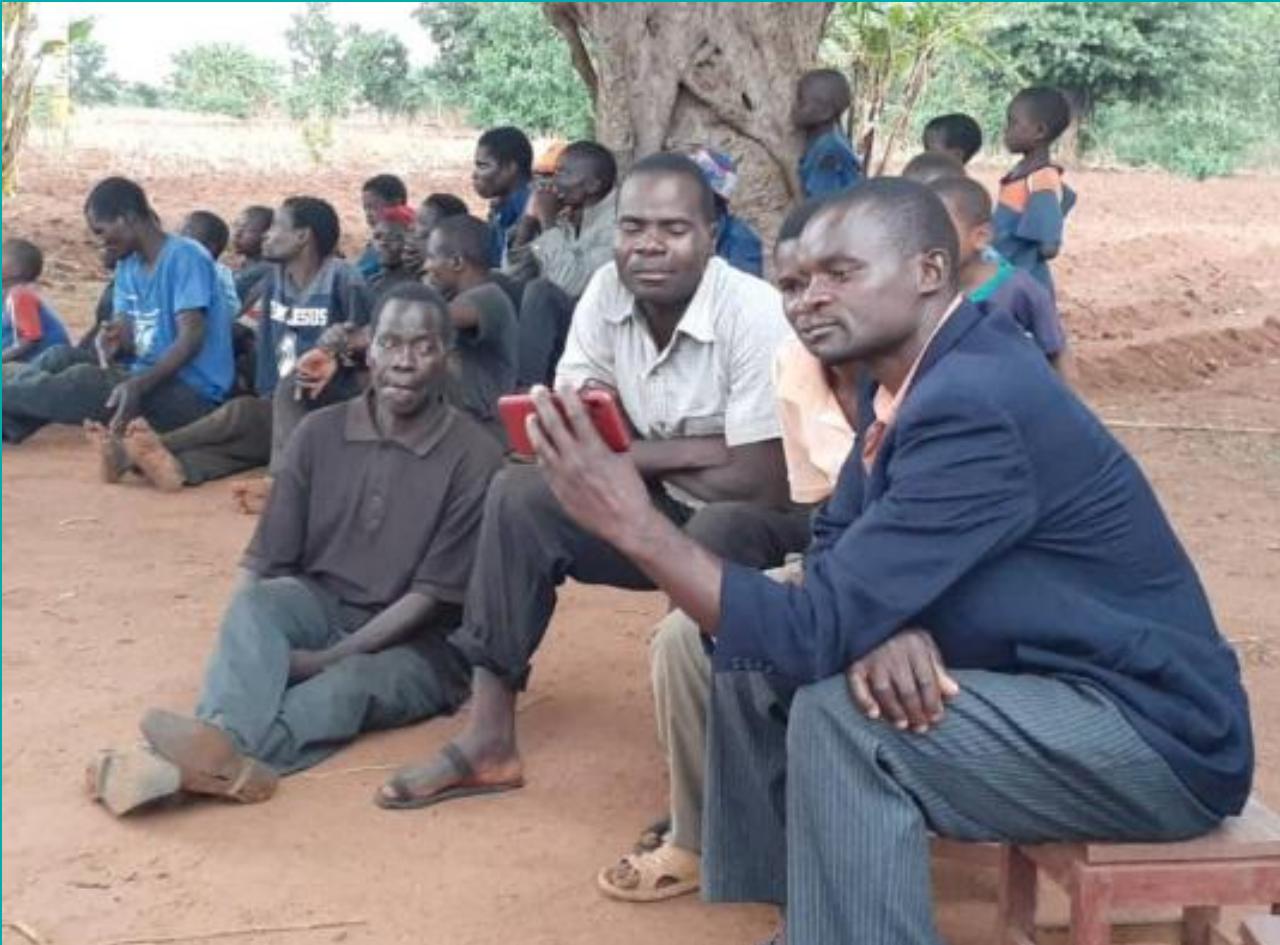
Linkages with formal financial institutions provided VSLAs with larger loan sizes than internal group lending alone.

Flexible credit terms (e.g. group guarantees instead of collateral) encouraged borrowing for productive activities.

The best results came from a gradual approach: training, savings then credit linkages.

Integration of digital savings and mobile money has strong potential but requires capacity support.

Leveraging influence of Technology





Thank You!