



# 2018 KEY RESEARCH INSIGHTS

## Knowledge Management



**In 2018, Knowledge Management (KM) conducted and supported research across 10 countries,** strengthening programs and partners, identifying effective client pathways out of poverty, and testing innovations. The KM team also reviewed and summarized complex research from previous years for better use by program strategists and fundraisers. Here are the highlights from the team's research in 2018.

### How do we know that Opportunity's work is impactful?

**INSIGHT 1: Agricultural loans can have a positive impact on farm income. Even during a painful recession, overall household livelihoods can remain stable.<sup>1</sup>**

- An impact study in Ghana found that AgFinance loans directly increased farmers' spending on inputs (e.g., fertilizer, seeds) by 42%.
- This resulted in a short-term increase in farm revenue of 5% and net farm revenue of 1%. (We believe this would have been larger if it were not for the recession.)

**INSIGHT 2: Two-thirds (66%) of farmers surveyed in Mozambique increased their harvest using an agricultural loan and accompanying agricultural support.<sup>2</sup>**

- Among farmers who increased their harvest, 85% used their existing land more effectively with inputs and skills, and 75% farmed more land by renting tractors and hiring additional workers.

### How can Opportunity better engage women as clients?

**INSIGHT 3: Women are better engaged in agricultural markets when programs adapt to local contexts.<sup>3</sup>**

- Crucial contextual socioeconomic factors to consider include: targeting value chains where markets are growing and women are active, engaging men as gatekeepers and participants in male-dominated contexts to lower resistance and promote collaboration, and adapting to diverse family farming systems.

**INSIGHT 4: Interactive voice response (IVR) messaging improves staff-client relationships and leads to increased savings (especially among women!).<sup>4</sup>**

- Nearly 38,000 clients in Ghana have received IVR—tailored voice messages in local dialects with simple financial education tips and reminders.
- The pilot mirrored the institution's gender breakdown—calling 60% women and 40% men—and 58% of clients who listened to messages were women, which is nearly twice the percentage of women clients currently using Opportunity's mobile banking platform (30%).
- Clients felt proud and valued when they received these messages, and many responded by visiting their local

branch to save money and asking questions to get additional information.

- Many clients who engaged with calls (listened, selected an option to hear more) took action to deposit more in their accounts. On average, the more calls that clients listened to, the more money they saved.

## Do microfinance products and services benefit the broader community?

**INSIGHT 5: Schools see significant, tangible improvements at both the school and community level after receiving loans over multiple lending cycles.<sup>5</sup>**

- Proprietors in Uganda confirmed that using their School Improvement Loans to make infrastructure improvements led to an increase in enrollment, because these visible changes improved the reputation of their school, thus attracting new students.
- Communities surrounding financed schools in Uganda have benefited from the infrastructure schools have helped to create. Examples include: assisting with road renovations, providing a water source during times of scarcity, increasing sense of security due to electricity, fences, and security guards.

**INSIGHT 6: MFIs can stimulate job creation for women by engaging both male and female SME clients.<sup>6</sup>**

- A recent evaluation of SME clients in Ghana found that both male and female SME owners employ equal numbers of men and women. (Employing an average of 8.6 individuals.)

## What kinds of information do our clients need for their businesses and their families to succeed?

**INSIGHT 7: Women clients are champions of their daughters' education, yet they lack information on how to connect a good education to a solid career.<sup>7</sup>**

- In every country, mothers and teachers were supportive and deeply proud when their children and students were able to surpass their own education level and gain professional employment, but often lacked knowledge about the kinds of jobs available or the process/requirements for applying to jobs.
- Opportunity partners in India, Malawi, and Uganda are testing integrations of career guidance services and job-preparedness into existing programs.



Infrastructure improvements at a school in Uganda

**INSIGHT 8: OI China is helping meet an unmet demand for capital among rural Chinese entrepreneurs and identifying other constraints to growth—namely business knowledge.<sup>8</sup>**

- Nearly every OI China client interviewed expressed significant ambition in expanding their business
- The greatest growth constraint these MSMEs had experienced was access to capital—confirming that OI China is meeting a significant market need.
- Growth was also limited by gaps in both business practice and business resources—especially regarding financial and business management, along with market information/strategies.
- Opportunity is exploring options to make business resources digitally available to clients in China.



Client Ms. Xumei owns and runs a knitting factory in China

For more information on Knowledge Management's work, visit [opportunity.org/knowledge-exchange/](https://opportunity.org/knowledge-exchange/)

<sup>1</sup>2018 *AgFinance Positively Impacts Smallholder Farms in Ghana*

<sup>2</sup>2018 *Tangible Benefits Reported by AgFinance Clients*. Data from 2016 Mid-Project Survey of Farmers in Zambesia and Manica.

<sup>3</sup>2018 *Empowering Women in Agriculture: Key Success Factors from Action-Research*.

<sup>4</sup>2018 Ghana Viamo IVR Project Evaluation Report.

<sup>5</sup>2018 Appreciative Inquiry of Opportunity EduFinance School Improvement Loan: Uganda Impact Report

<sup>6</sup>2018 Sinapi Aba Savings and Loans Client Evaluation

<sup>7</sup>2018 *Understanding Girls' Education and Career Pathways in Context*.

<sup>8</sup>2018 Understanding the Chinese Client Experience