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The Talking Agribusiness in Liberia Project

Fisherfolk Access to Financial Services in Liberia: A Demand-Side Exploration of Liberia's Agri-/Food Value Chain Financing Space

Third Communication Event

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Presentation Outline



Context of the Research



Background, Rationale & Objectives of Research



Methodology



Results & Findings



Conclusions



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Context of the Research

➤ Context of the EU-funded Talking Agribusiness in Liberia project

❑ *West Africa Competitiveness Programme (WACOMP)*

The programme aims to strengthen the competitiveness of West Africa and enhance the countries' integration into the regional and international trading system.

❑ *Expected Project Outcome*

To disseminate information and raise awareness about opportunities

- for business performance and growth (competitiveness),
- regional (trade) integration of Liberia's agri-/food business value chain, and
- an improved environment for agri-/food businesses to thrive in accord with the objective of the WACOMP.



Context of the Research

➤ Context of the EU-funded Talking Agribusiness in Liberia project

❑ *Project Activities*

- ❖ Conduct research on six (6) selected agribusiness topics validated among stakeholders
- ❖ Organise events for information dissemination and stakeholder interactions on research findings

❑ *Project Outputs*

- ❖ Output 1: The Status of Youth Engagement in Agribusiness
- ❖ *Output 2: AfCFTA in Liberia - The Ratification Process and Involvement of Agribusinesses*
- ❖ *Output 3: Fisherfolk Access to Financial Services in Liberia: A Demand-Side Exploration of Liberia's Agri-/Food Value Chain Financing Space*



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Background, Rationale & Objectives of the Research

- ❑ The absence of an agricultural financing policy framework hampers financial institutions from developing sector-suitable services and limits the sustainability and scale of the agri-/food business sector's access to finance.
- ❑ The agriculture sector, including fisheries, accounted for less than 2.99% of the loans and advances banks gave in Liberia in the 2022 financial year and 3% in 2023.
- ❑ Access to finance remains a challenge for agro-MSMEs and the most constraining factor in the emergence and growth of youth-led agro-MSMEs in Liberia.
- ❑ CASTRAP's work on NARFF is an opportunity to ensure that the fisheries sector, which is an essential part of Liberia's agricultural and livelihoods framework, is accounted for.

Background, Rationale & Objectives of the Research

- ❑ Nine (9) of Liberia's 15 counties are situated along a 579 km coastline considered among the world's most productive fishing grounds.
- ❑ The fisheries sector plays a vital role in the livelihood of coastal populations and the national economy, generates about 10% of the agricultural sector's production and 3% of the country's GDP, and accounts for at least 60% of the national protein requirements.
- ❑ An estimated 15,000 fishermen and 25,000 fish processors and traders, mainly small-scale artisanal fisher(wo)men, are employed in the sector.
- ❑ Once a regional centre and the highest-value exporter of fish products in Africa, the potential for Liberia's fisheries sector in birthing and growing fishery MSMEs is significant and should be nurtured.
- ❑ The research was conducted to complement the CASTRAP team's work and enrich stakeholder discussions on the proposed agricultural and rural financing framework.



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Objectives of the Research

Research Goal

To understand the factors influencing artisanal marine fisherfolk's access to financial services in Liberia

Research Objectives

- ❖ Identify the various financing needs of the different fishery value chain actors in Liberia
- ❖ Identify available financial services and their accessibility and usage by fisherfolk and fisheries-based MSMEs in Liberia
- ❖ Ascertain the key constraints encountered by the different categories of value chain actors in accessing needed financial services
- ❖ Highlight the gendered experiences of financial need, access to and choice of financial services,



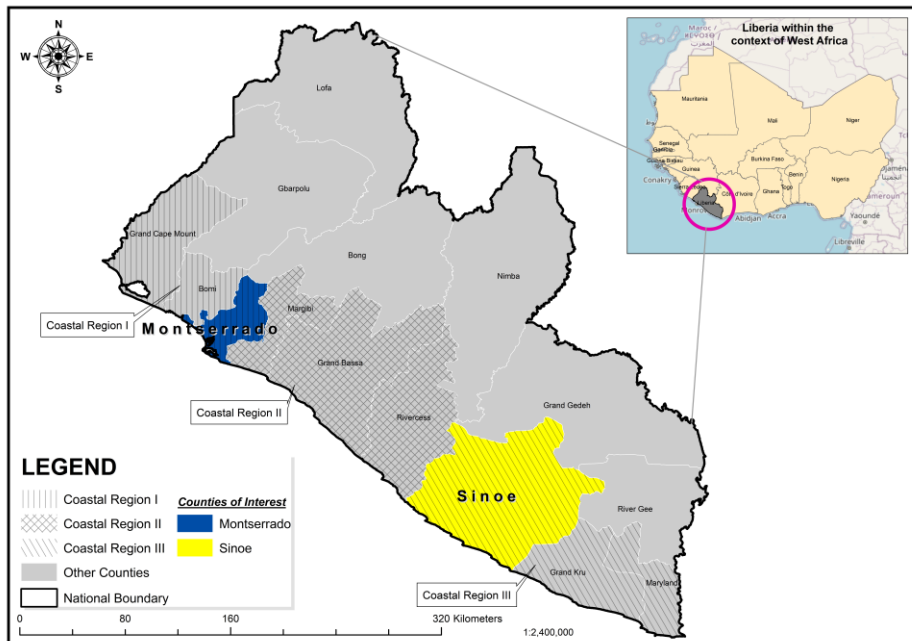
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Methodology

Cross-sectional research design and a mixed-method approach to data collection and analysis

Map showing Liberia's fishing landscape & the Research Area



- ❑ The study was conducted in Montserrado County (CR1) and Sinoe County (CR3), using a survey of **278** fisherfolk respondents and 1 KII with an actor from the public sector in July 2023.
- ❑ The sampling process was based on geographical and socio-economic conditions of Liberia's coastal regions.
- ❑ Respondents were sampled from 4 fishing communities
- ❑ Data collected were analysed quantitatively using simple descriptive statistics - averages and percentages.
- ❑ Qualitative data were captured as notes & interpreted using thematic content analysis.



Methodology

Data Sources	Data Collection Method	Sample Size	Data Variables
Fisherfolks	Survey (structured questionnaire)	278	<ul style="list-style-type: none"> • Demand-side perspectives and experiences in the agricultural financing space of Liberia. • Gendered and occupation-specific variety of fisherfolk financing needs. • Choice and access of financial services and providers. • Constraints encountered in accessing agricultural financing.
NaFAA	Key informant interviews	1	<ul style="list-style-type: none"> • Sector regulator perspectives on fisherfolk’s access to financial services.
Secondary data	Desk review of relevant literature	-	<ul style="list-style-type: none"> • Factors influencing access to financial services, particularly for low-income earners. • The socio-economic dimensions and financing needs of fisherfolk in Liberia. • Issues in agricultural financing in Liberia.

RESULTS AND FINDINGS





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Demographic Characteristics

County	Communities	Gender disaggregation		Grand total	
		Female	Male		
Montserrado	Kru Town West Point	26.6%	20.9%	47.5%	66.9%
	Fante Town West Point	7.5%	11.9%	19.4%	
Sinoe	Greenville DownTown Beach	1.4%	10.1%	11.5%	33.1%
	Greenville Fish Town Beach	10.1%	11.5%	21.6%	
Gender representation		46%	54%	100%	



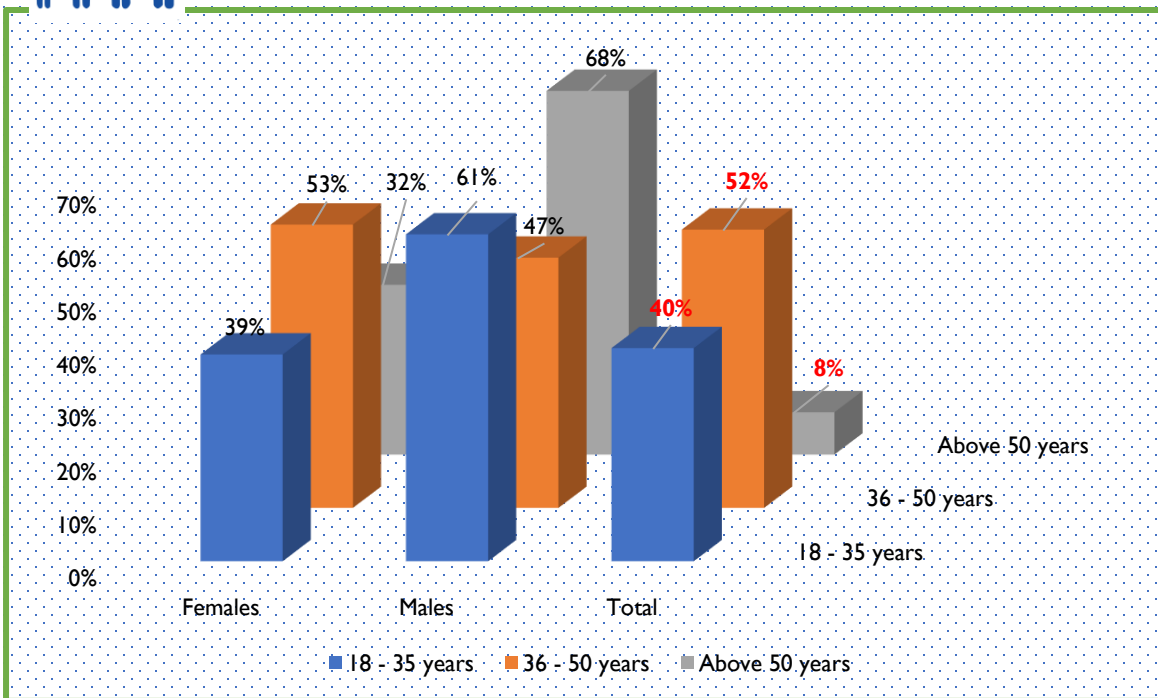
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Demographic Characteristics



Age & Gender distribution



The majority of respondents, **54%**, fell within the age range of **36 to 53 years**

The youth bracket, **ages 18-35**, represented **40%** of the respondents

The lowest age category consisted of respondents **above 54 years**, making up **6%** of the total

Across all age categories, **males were the dominant** gender, except for the **36-53 age group**, where females represented **28%**, slightly higher than males by **2 percentage points**



Marital Status

- 59% of respondents were unmarried, while 41% were married
- Among males interviewed, 57% were unmarried
- Among females interviewed, 61.4% were unmarried



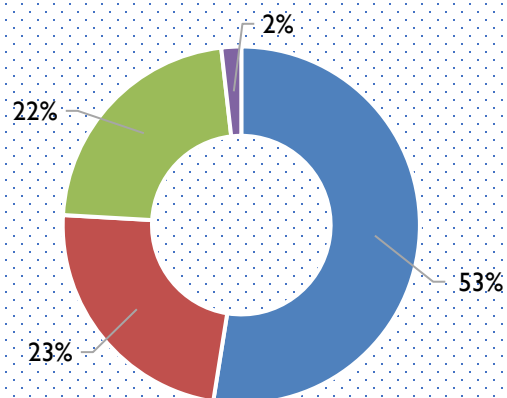
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Demographic Characteristics



Highest level of education



■ No formal education ■ Primary ■ Secondary ■ Tertiary

Educational attainment is relevant for financial literacy and make informed decisions on accessing financial services

- ❑ More than half (53%) of the respondents had no formal education
- ❑ 23% attained primary school-level education
- ❑ 22% achieved secondary education
- ❑ 2% hold tertiary education qualifications

❑ Generally, fishing communities are characterised by low levels of education.

❑ It is noteworthy that 2% of the fisherfolk respondents had received tertiary education.



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Demographic Characteristics



Average income of fisherfolk

Landscape/ County/ gender	Number of operations		Average income per operation		Average income	
	Bumper season	Lean season	Bumper season	Lean season	Bumper season	Lean season
Combined	22	16	LD 43,735 (USD 236.2)	LD 49,111 (USD 265.2)	LD 802,168 (USD 4,331.7)	LD 740,978 (USD 4,001.3)
Montserrado	25	17	LD 51,293 (USD 277)	LD 49,220 (USD 265.8)	LD 916,331 (USD 4,948.2)	LD 752,747 (USD 4,064.8)
Sinoe	18	12	LD 25,395 (USD 137.1)	LD 48,847 (USD 263.8)	LD 525,156 (USD 2,835.8)	LD 712,423 (USD 3,847.1)
Males	22	15	LD 44,541 (USD 240.5)	LD 37,812 (USD 204.2)	LD 829,522 (USD 4,479.4)	LD 483,835 (USD 2,612.7)
Females	23	17	LD 42,922 (USD 231.8)	LD 60,507 (USD 326.7)	LD 774,578 (USD 4,182.7)	LD 1,000,338 (USD 5,401.8)

- ❑ Averagely, respondents conducted 22 business operations in bumper seasons and 16 in lean seasons.
- ❑ The estimated average income earned per operation was **LD 43,735** (USD 236.2) during the bumper and **LD 49,111** (USD 265.2) during the lean season.

More business operations did not necessarily imply huge incomes.

- ❑ The seasonality of the sector has significant effects on fisherfolk incomes.
- ❑ Men earned more per operation during the bumper season while women earned less. However, in the lean harvest season, a woman’s average income earned per operation was 60% more than a man’s.



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Demographic Characteristics



A Scatter Plot of Respondents' Incomes

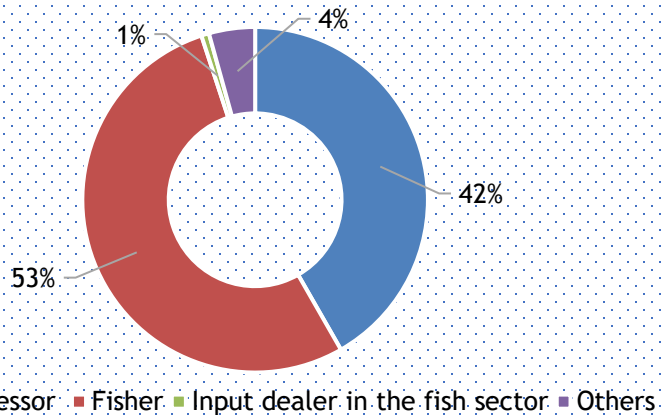


- ❑ In the bumper season, most respondents earned between LD 20,000.00 and LD 5,000,000.00.
- ❑ Yet, fisherfolk incomes in Sinoe, particularly incomes of the women fell below LD 500,000 (i.e., within the lesser part of the income range).
- ❑ Most respondents whose income fell within the higher part of the income range were men.
- ❑ This means that although the women's average incomes may be higher than that of the men, many individual women earn very low incomes.

In the lean season, most respondents earned between LD 10,000 and LD 2,000,000

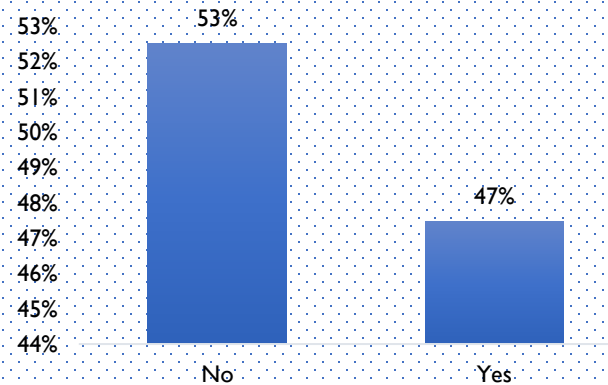
Demographic Characteristics

Main work activity/occupation



- ✓ 53% were fishers, mainly men (95.3%)
- ✓ 42% were fish processors, mostly women (86.6%)
- ✓ 1% are input dealers, equal parts wo/men
- ✓ 4% (Others) traded and retailed fresh fish purchased at the shores, all women

Business registration Status



Nearly half identified their enterprises as legally registered entities, including registration of fishing vessels under NaFAA.

Other sources of income generation

- ❑ 85% of respondents had no other sources of income generation apart from their work in fisheries.
- ❑ 15% of respondents were engaged in other economic activities, such as retail, services, agriculture, construction and transportation.

Fisherfolk Financing Needs

Most pressing personal financial needs

Category [personal need]	Women	Men	Category Total
Short-term needs (payment of school fees, rents & household needs)	86.6%	80.8%	83.5%
Long-term needs (building a house)	11.0%	17.9%	14.7%
Other personal fulfilments/needs	2.4%	1.3%	1.8%

Most pressing business financial needs

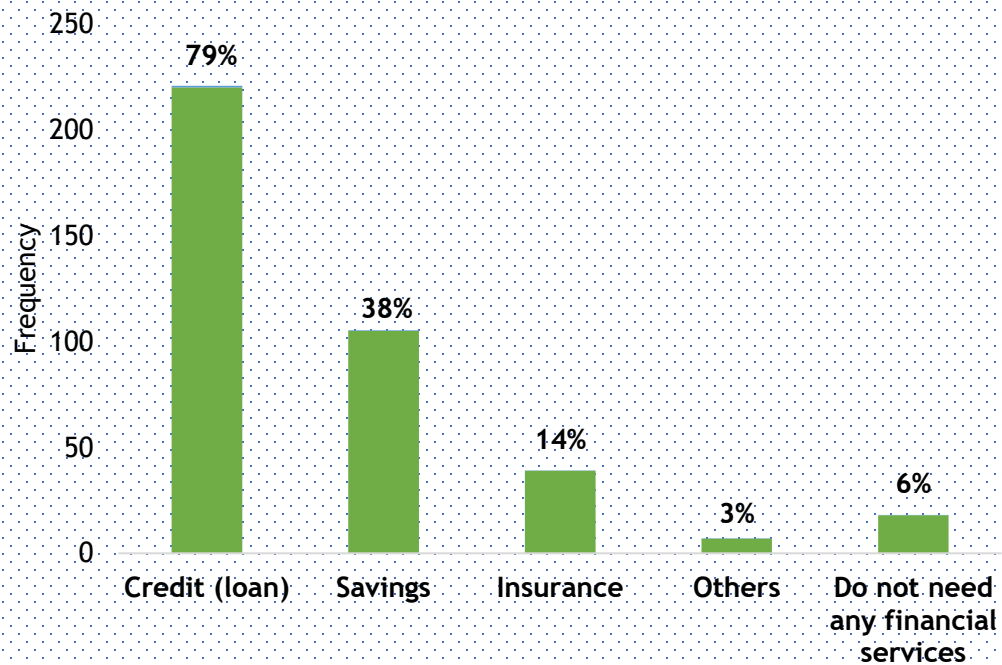
Category	Short-term needs (Working capital needs such as paying labourers and buying raw materials - fuels, fish, fisheries input)	Long-term needs (Buying fishery-related assets; expanding operation)	Total
Women	55.9%	44.1%	45.7%
Men	31.1%	68.9%	54.3%
Total	42.4%	57.6%	100%

- ❑ Household and business needs determine individuals' and businesses' choices to access financial services.
- ❑ The most pressing personal financial needs of the majority (83.5%) of the respondents were short-term while the most pressing business financial needs for the majority (57%) were long-term.
- ❑ The urgency of both short- and long-term financial needs are comparable in the artisanal marine fisheries business value chain.

- ❑ Women (86.6%) were more likely to note their most pressing personal financial needs as short-term than the men (80.8%).
- ❑ Women were more likely to indicate short-term needs as the most pressing for business financing (55.9%); perhaps because they dominate post-harvest value addition aspect where more cash flow is required for work.

Fisherfolk Financing Needs

Critical Financial Service Needs

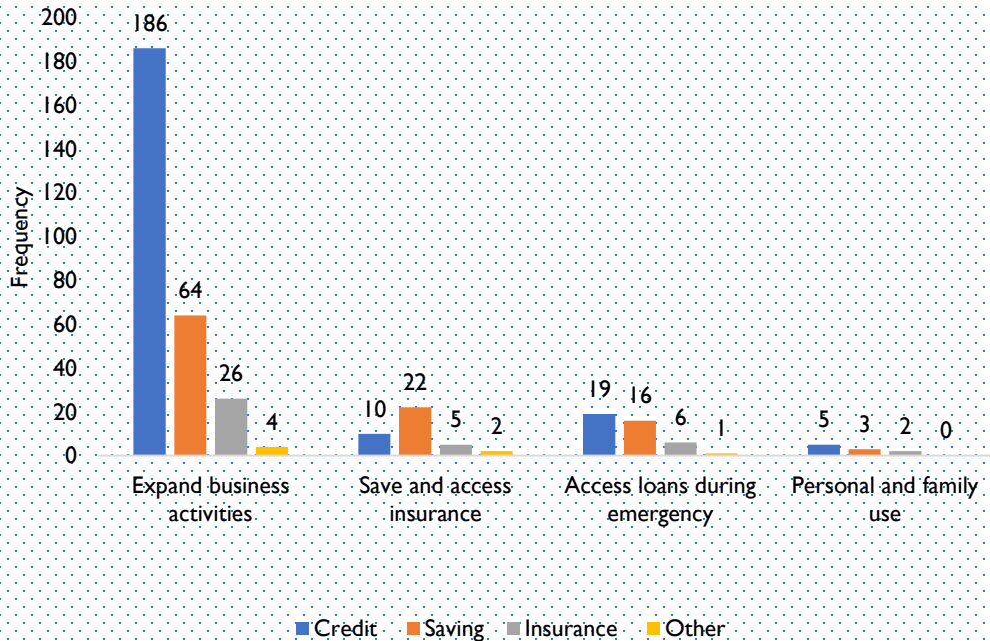


Frequency distribution of respondents' critical financial service needs

- Credit access and savings were considered vital financial services to meet respondents pressing personal and business needs.
- Credit/loans recorded the highest frequency (of mention) as respondents' critical financial services/service need for both wo/men
- Savings were also mentioned with some high frequency.
- The findings on insurance is consistent with an earlier study that reports that Liberians do not view insurance as a crucial financial service.

Fisherfolk Financing Needs

Association of Critical Financial Service Needs with financial needs

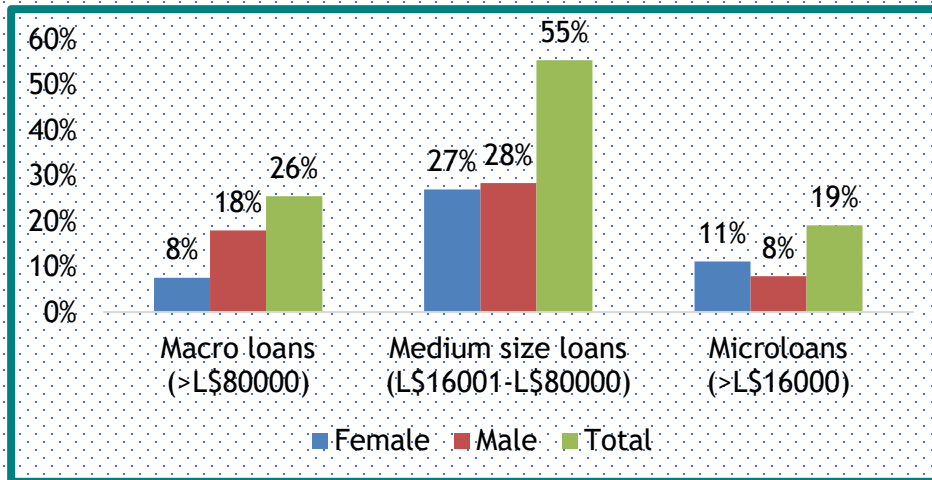


Association of respondents' critical financial service needs with financial needs

- ❑ FAO reports the most cited needs for agricultural households as cash assistance (76%) and their needs aligned with their production difficulties.
- ❑ Credit/loans as fisherfolk's critical financing need was linked with expanding and scaling up their business activities.
- ❑ The reasons associated with savings as a critical financial service need included the convenience of securing excess money for later use, accumulating money to reinvest into business activities, and keeping track of money and expenses.

Fisherfolk Financing Needs

Respondents' Desired/Needed Loan Sizes



- ❑ The women fisherfolk were more likely to require/desire smaller-sized loans than the men.
- ❑ Men constituted the higher proportions of fisherfolk who required/desired the biggest and medium-sized loans.
- ❑ The difference in women's and men's fisherfolk financing requests demonstrates a significant disadvantage for women fisherfolk growing competitive businesses

- ❑ The majority (55.4%) of respondents, required loan sizes between LD 16,000.00 and LD 80,000.00 (USD 86.4 and USD 432.0) to meet their financial needs.
- ❑ About a quarter (25.5%) required/desired loan sizes higher than LD 80,000 (USD 432.0).
- ❑ About a fifth (19.1%) noted their required/desired loan sizes as lesser than LD16,000 (USD 86.4).
- ❑ Fisherfolk credit needs were microloans

Fisherfolk Accessibility of Financial Services

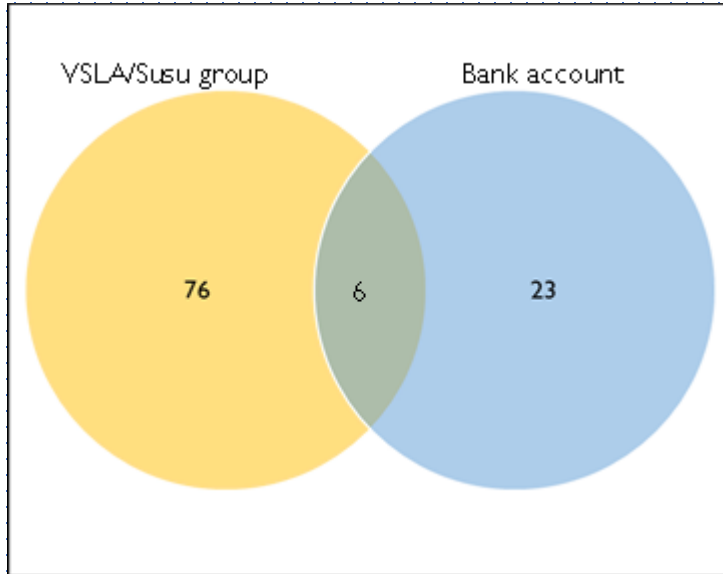
Availability of FIs and Services in Fisherfolk Communities

- ❑ Only about a quarter (25.6%) of the respondents indicated that there were FIs in their communities.
- ❑ Over 40% (41.7%) said no FIs existed in their communities.
- ❑ About a third (32.7%) were unaware of any FIs or agents in their communities of operations.

Fishing Communities	Fante Town West Point Beach	Kru Town West Point	Greenville Down Town Beach	Greenville Fish Town Beach
Financial Institutions present in or in proximity to respondents' communities.	Liberian Bank for Development and Investment (LBDI)	Ecobank Liberia	Sapelle International Bank Liberia Limited (SIBLL)	
	Credit Union*	Access Bank Liberia		
		GTBank Liberia		
		BRAC		
		OYA Micro-Credit Company Ltd. Liberia (OYA)		

Unsurprisingly, more financial institutions were available to the respondents from Montserrado county than those from Sinoe county.

Fisherfolk Accessibility of Financial Services

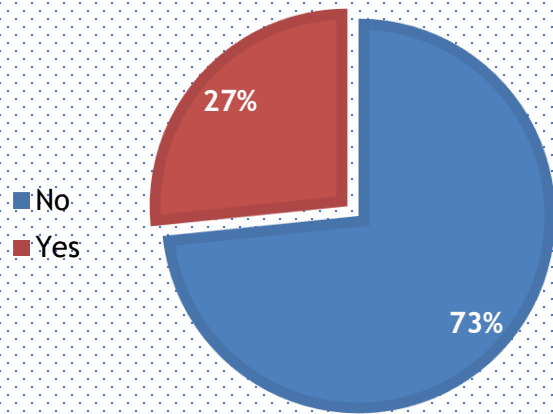


Financial account ownership

- ❑ Only about a third (33.5%) of the respondents owned a bank account or belonged to a susu group, VSLA, or both.
- ❑ Only 10% (29) had bank accounts and men were more likely to have bank accounts than women

Fisherfolk Accessibility of Financial Services

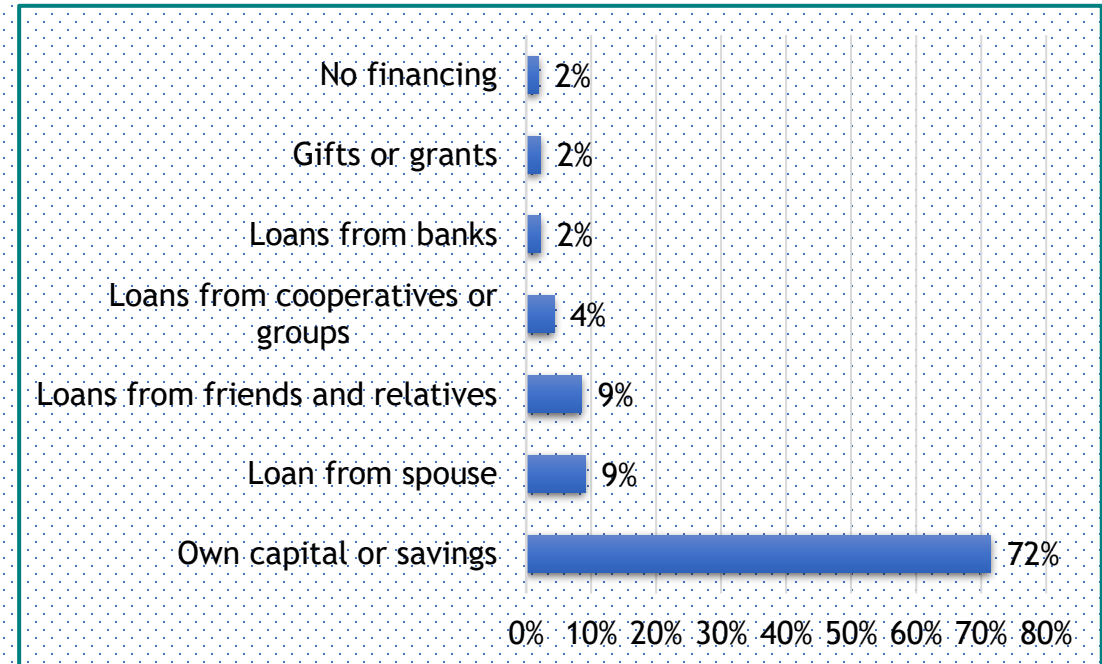
Have you ever accessed a financial service or product?



- 73% of respondents have never accessed any financial products or services
- 27% of respondents reported having access to at least one financial service or product



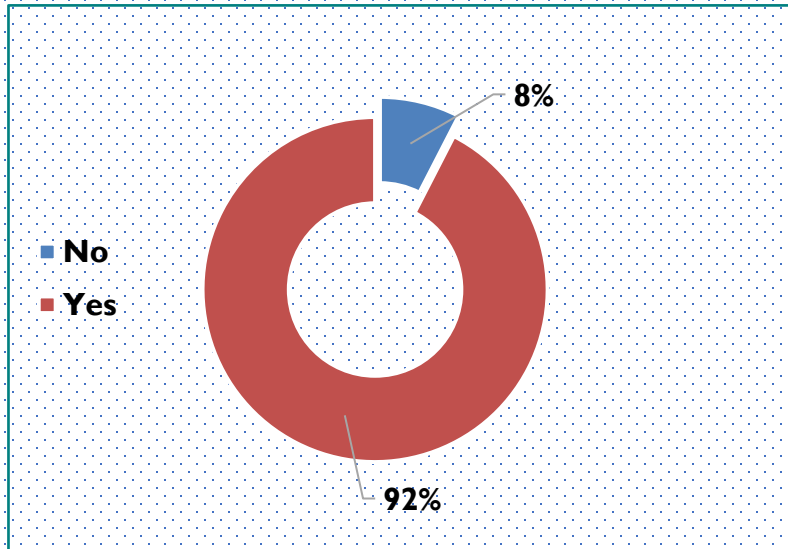
Sources of business financing



Self-financing is the dominant funding method

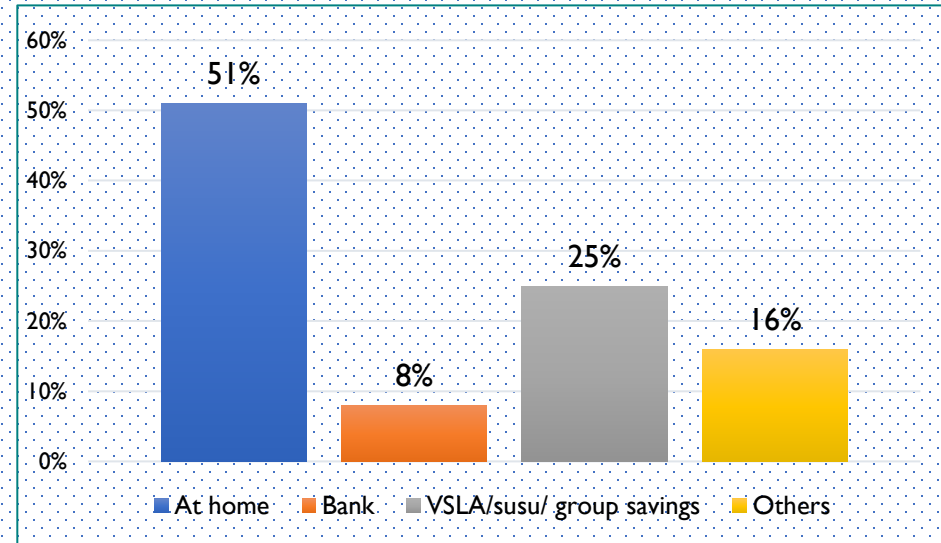
Fisherfolk Accessibility of Financial Services

Savings Habit



✓ 92% of respondents actively saved their income

Avenues for savings



✓ Majority of fisherfolk - 51% save their income at home

✓ 16% of fisherfolk save using alternative methods like mobile money and trusted individuals

Key Constraints to Fisherfolk Access to Formal Financial Services

Respondents Perspectives on Issues to be Addressed to Facilitate their Access to Formal Financial Services

County	Issues to be addressed	Respondent's proposed approach to addressing issues
Monrovia	<ul style="list-style-type: none"> • High interest on loan acquisition by fisherfolks. • Unrealistic loan payment period. • Poor customer service and unstable banking systems. 	<ul style="list-style-type: none"> • Low-interest rates on loans should be made available to small-scale fishers. • At least a two weeks grace period should be granted before loan payment commences. • Improve banking systems and make cash available to customers.
Sinoe	<ul style="list-style-type: none"> • No Tailor-made loans on access to fishing and fish processing materials. • Low knowledge of community folks on financial services and packages 	<ul style="list-style-type: none"> • Create special loan portfolios for fisheries enterprises. • Low-interest loans should be made available. • Educate community folks on financial services and packages through radio talk shows and community town hall meetings.

CONCLUSIONS



Summary of Key Findings

- ❑ The type of financing needed by fisherfolk are microloans and/or small business loans, as a little over half (55.4%) of the fisherfolk respondents mentioned that they required a loan size between LD 16,000.00 and LD 80,000.00 (USD 86.4 and USD 432.0) to meet their financial needs.
- ❑ Credit ranks as the most popular financial instrument among most respondents. The most common financial service for growing and scaling up business operations is credit. Nonetheless, credit is denied to almost half of fisherfolk who use financial institutions

Summary of Key Findings

- ❑ Fisherfolk has limited access to credit, savings, and insurance. The primary obstacle to credit is the absence of security or collateral, whereas the seasonality of cash flow is the primary obstacle to saving. Fisherfolk agrees that having higher levels of literacy—especially financial literacy—increases one's chances of obtaining credit. Also, unawareness regarding insurance is the biggest obstacle to obtaining insurance. Most fisherfolk indicated that the government, other than financial institutions, should address the issue of access to financial services.
- ❑ Males have greater access to commercial banks, while females have greater access to VSLA/Susu groups. Females limited access to commercial banks is attributed to their inadequate education and income level. Males' most pressing business demands are long-term, making them demand a higher loan size. On the other hand, females' most pressing business needs are short-term, making them demand a lower loan size than males.



The Talking Agribusiness in Liberia Project

*THANK YOU FOR
YOUR ATTENTION*
