



# FINAL REPORT



## Gender Equality and Women Empowerment Project (GEWEP)

**COMPONENT: ECONOMIC DEVELOPMENT**

***NOVEMBER 2015***

**Project duration: Two Years**

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## **1. INTRODUCTION**

The Gender Equality and Women Empowerment Project, a two years project that started in 2014, built on the ended ISARO project and funded by NORAD through CARE Norway to be implemented in Nyaruguru, Nyamagabe, Huye, Gisagara, Nyanza, Ruhango, Kamonyi and Muhanga Districts of the Southern Province. The GEWEP main goal is to empower vulnerable women to meet their socio-economic security and exercise their rights. The Project major component is a combination of VSLG activities, linkage to financial institution, strengthening entrepreneurship, linking women to private sector and functional literacy.

It is implemented by four partners (ARTCF, RWAMREC, RWANDA WOMEN'S NETWORK and SAFER RWANDA) in collaboration with CARE International Rwanda. Each partner has its components according to the area of its interventions. This report will focus on Economic development component.

Key highlights of this final report for the period from August 2014-November 2015 includes:

1. Enterprise development/data collection
2. Saving week
3. Trainings
4. VSLG linkage
5. Enterprise development training
6. Contribution to the indicators
7. Success
8. Best practices
9. Challenges and recommendations

## **2. ACHIEVEMENT**

### **2.1. SCREENING VSLGS WHICH WILL BENEFIT FROM ENTERPRISE DEVELOPMENT TRAINING AND MENTORSHIP.**

The activity on the value chain has been omitted in favor of those above defined. Thus, the training that was reserved for the value chain in which 240 people per district must be trained on enterprise development and linkage to the functional market has been replaced by the training of 20 VSLG members' potential entrepreneurs per District. A screening was organized and has been confirmed by Economic development team/CARE International Rwanda in accordance with the data collection tool that has been fulfilled by the ARTCF Field Staff.

Here, it was agreed that the trainers on enterprise development will be the Field Officers instead of Village Agents including Field Coordinator and everyone will be required to train 20 VSLGs by District after being selected. The 3 Field Officers including Field Coordinator should be trained at least 4 VSLGs each week means that 12 VSLGs in total / week from Monday to Thursday. A total of 3600 members from 120 VSLGs will be selected to be trained on entrepreneurship whose 360 members among them will be even a tenth preselected according to their capacities (knowledge & skills) in savings and investment before being trained on enterprise development. The last choice involves 12 successful Entrepreneurs means that 2 Successful Entrepreneurs per district to be selected for linking their products to the functional markets. We proceeded by choosing 100 VSLGs per District, 2 VSLGs by village agent which were selected based on their performance as each district has 50 Village Agents. However, 20 VSLGs per district have been selected to be trained on enterprise development.

By support of five temporary data collectors, we went in VSLGS that had been pre-selected by the Field Officers according to their performance on use of the VSL methodology to collect data that have help us to identify VSLGs that will benefit from the training on entrepreneurship. Thus, the data for 240 VSLGs with 5'404 Female and 1'249 Male were recorded by these data collectors. The activity took 7 working days including an orientation day. We planned to start the enterprise development training in December 2014, but we started by April 2015 because the enterprise development training manual was still in English and need to be translated in Kinyarwanda.

## 2.2. SAVING WEEK/ NYAMAGABE DISTRICT



This day was celebrated October 31, 2014 in Ruganda cell, Gatare sector in Nyamagabe District. The preparations for the day were led by CARE International Rwanda in partnership with ARTCF and JADF Nyamagabe District.

The Mayor of Nyamagabe District congratulated CARE International and ARTCF that have contributed to the eradication of poverty that incumbent upon the southern. He again asked ARTCF to do better so that all VSLG members have an account from MFIs just like that at the end of cycle when the VSLG members sharing, their money will be transferred automatically to their own accounts, instead of take it hand to hand, this will reinforce the access to finance for all. ARTCF has accepted to do it in consultation with CARE International as donor.

## 2.3. VILLAGE AGENTS TRAINING ON FINANCIAL LITERACY AND FINANCIAL LINKAGE



This training was held in Huye to Centre d'Accueil Mere du Verbe from 25 up to 27 November 2014 and from 20 up to 22 April 2015 at Nyanza District. The participants were 10 from HUYE, 11 from NYAMAGABE, 10 NYARUGURU, 10 NYANZA, 10 RUHANGO and 10 from GISAGARA. They were trained on financial literacy and the financial linkage. Village agents strongly appreciated this level fitness training regarding the financial linkage and promoted the good cooperation between VSLGs and MFIs to track linkage operations. Given the importance of this training, village agents who trained, requested it to be organized for their comrade as quickly as possible. The output of the training was that VAs, Partners and CARE staff trained in financial literacy and linkage will roll out the same trainings to the VSLGs and facilitate the preparation for effective formal financial linkage. The participants were 2 ARTCF Staff, 2 CARE/GEWEP Staff and 61 Village Agents.

The contents of the training were the following:

- Introduction to VSL Methodology
- Who is VAs?
- What are the roles & responsibilities of VAs?
- Discuss what makes someone a good money manager

Reasons to Save

- Analyze and Link the reasons to save to 3 types of savings goals
- Analyze the difference between short- and long-term goals
- Align goals with capacity to save

Setting Priorities for your Money

- Distinguish needs from wants
- Examine the expected and unexpected reasons to save in participants' own life cycles
- Prioritize expenses and goals for one's own household
- Discuss giving up a small expense to achieve something large

Where to Save?

- Discuss the advantages and disadvantages of different places to save.
- List criteria for choosing a place to save
- Suggest Rules of Thumb to help save better and more

Save or Borrow?

- Differentiate between one's own money and borrowed money
- Identified when it is a good idea to save and when to borrow using 4 fictional examples

Discuss the costs associated with borrowing

- Distinguish between good loans and bad loan

Why should I budget?

- Discuss the reasons that it is important to budget
- Distinguish between business and household expenses
- Analyze a sample budget

Identify ways to cut spending

- Consider how to put their money to productive use
- Suggest Rules of Thumb to manage money effectively

Financial Services Providers

- Correct misinformation about financial service providers (FSPs)
- Identify advantages and disadvantages for each type of FSP
- Identify rights and responsibilities as clients of FSPs
- Risk management
- Discuss the advantages and disadvantages of reactive and protective

## Strategies

- Technology & mobile banking
- Compare advantages and disadvantages of services available by mobile Phone

## VSL groups and formal financial services

- Introduction to VSLGs Financial Linkage
- Proposed linkage arrangement
- Assess VSLG performance for linkage
- Understanding Linkage Products
- Impacts and implications of external VLGs linkages

### **2.4. MEETING OF MFI MANAGERS INCLUDING DCOs (DEVELOPMENT AND COOPERATIVE OFFICERS) FROM THE DISTRICTS WITH GEWEP/ARTCF STAFF**

On November, 27<sup>th</sup> 2014, at Mere du verbe Huye held a meeting on financial linkage, the participants of the meeting are: Development and cooperative officers in 6 Districts of the intervention, VFC branch managers Nyamagabe, Nyaruguru and 2 representatives per District of Umurenge Sacco. The meeting was led by the Field Coordinator/GEWEP/ARTCF. The meeting focuses on how to improve linkage system, tracking linkage operations, collaboration between stakeholders in the linkage (ARTCF, CARE and MFIs). The participants requested that this meeting can regularly being every quarter to see together the progress and challenges of financial linkage and then propose the solutions on it.

### **2.5. VSLG FINANCIAL LINKAGE**

Financial linkages are aimed at integrating the poor into formal financial systems on a demand driven basis, and encouraging the formal financial systems to view the extremely poor as potential markets. ARTCF&CARE International in Rwanda promote this transformative approach to reduce poverty by linking Voluntary Saving and Loan groups(VSLGs) with formal financial services and innovations to make those services more accessible and affordable for the poor. The financial linkage will allow VSLG clients to access higher level financial services, including greater loan amounts to groups' members, insurance and a more secure place to save their money.

Currently, ARTCF&CARE Rwanda through the GEWEP project is partnering with Vision Finance Company (VFC) and UMUTANGUHA FINANCE Ltd, the MFIs, to provide savings and loan products and services that meet the financial needs of VSLG clients without compromising the VSL methodology. GEWEP planned to explore partnering with other financial institutions to promote savings given the limited time frame and high demand for savings facility from the VSL groups. There is no indication that VSL methodology is adversely affected by the linkage. On the contrary, linkage further strengthens the VSL methodology and improves the

performance of the group. The stringent requirement of the methodology in addition to the training and coaching received in the first year prepares the group adequately for linkage. Another important attribute of the methodology is that it instills discipline without being overbearing for poorest.

The linkage process is still in its early stages and more monitoring is needed to determine its long term effects. However, based on the current qualitative and quantitative data available, the linkage has a positive effect on the poorest. Members of groups who did not borrow from the external loan accepted without complaint the reality that they are sharing risk for a loan which they themselves are not directly going to access. The prevailing rationale is that the interest that is generated from borrowers through the spread, which will be distributed in the share-out, is a sufficiently attractive benefit to offset the downside of the solidarity group guarantee. The following data are the current linkage situation from VFC

No	DISTRICT	# VSLGs linked	# VSLG members	VFC		
				SAVINGS	CUMLATIVE LOANS	OUTSTANDING LOANS
01	NYAMAGABE	103	3'082	15'863'145	71'045'000	40'842'735
02	NYARUGURU	104	3'115	14'641'400	68'004'000	18'195'495
03	HUYE	108	3'180	18'043'800	120'524'900	31'315'400
04	GISAGARA	105	3'150	10'043'800	88'524'900	21'315'400
05	NYANZA	100	2'925	7'856'825	62'425'450	16'700'100
06	RUHANGO	105	3'150	9'043'800	71'524'900	23'315'400
<b>TOTAL</b>		<b>625</b>	<b>18,602</b>	<b>75,492,770</b>	<b>482,049,150</b>	<b>151,684,530</b>

There are other VSLGs which are working with U-SACCOs and its data are not appeared here because were not yet computerized.

## 2.6. SELECTED VSLGs TO BE TRAINED ON ENTERPRISE DEVELOPMENT

As part of GEWEP project, its main objective being the training of VSLG members on entrepreneurship. According to the survey conducted in the different VSLGs for identifying VSLGs in which participated in training on entrepreneurship, the following were selected in all districts and have benefit the training:

District	Sectors	# VSLGs
Ruhango	Ruhango	17
Gisagara	Musha, save, Mamba, Gikonko, Ndora	23
Nyanza	Muyira Busasamana, Rwabicuma, Busoro, Kigoma, Kibirizi and Mukingo	16
<b>Sub-total</b>	<b>15 Sectors</b>	<b>56 VSLGs</b>



Huye	Mbazi Ngoma, Mukura, Ruhashya Kinazi, Maraba, Karama, Simbi, Rusatira Gishamvu	27
Nyamagabe	Kamegeri, Gasaka, Buruhukiro, Tare, Cyanika Kitabi	35
Nyaruguru	Mata, Kibeho Rusenge, Cyahinda Nyagisozi, Ngera, Ngoma	34
<b>Sub-total</b>	<b>23 Sectors</b>	<b>96 VSLGs</b>
<b>Grand Total</b>	<b>38 Sectors</b>	<b>152VSLGs</b>

After selecting the VSLGs to be trained, we had to wait for the training module that unfortunately arrived late, at the end of February 2015 after 5 months. Upon arrival, we rushed to make contacts and train some VSLGs on the first session.

## 2.7. REFRESHER TRAINING ON ENTREPRENEURSHIP

From 24 to 27 March 2015 in Rwamagana, Dereva hotel was organized a refresher training on Enterprise development training, the participants are AEE staff, the team of HIH EA, Team CARE International Rwanda, FO / GEWEP- ARTCF, the staff of EAR Byumba and the EDP, EDF working in the HIH project. This training covered two important points as entrepreneurship and value chain. Before beginning the training properly, the first day was spent visiting some entrepreneurs in the districts of Bugesera and Gatsibo. Visited entrepreneurs do activities and the various services that allow them to be self-financing. During this visit the entrepreneurs received some advice for their help to improve their way of doing business. The visiting team was also satisfied with the way they found the entrepreneurs, especially their organization, to have created themselves jobs that allow them to survive and generate income. As experience from the area where the work HIH, training of entrepreneurs is made from several organizations (EDP and EDF) while in the GEWEP area, only the field officers are involved in all trainings related to the entrepreneurs 'activities. This makes it difficult and does not promote the achievement of objectives and the time it takes the project as required.

## 2.8. FIELD VISIT BY CARE INTERNATIONAL NORWAY



As of March 4, 2015, we received a warm visit from the trustees group from Care International Norway. They visited two VSLGs one (Abizeranye) to Mukura and the other (Abisunganye) to Huye. They also visited two entrepreneurs namely Mukandagano Annonciata for its production of coal and wood, Uwimana Vestine selling fish in the Huye modern market. Within VSLGs they

were explained by the beneficiaries themselves the benefits of VSLGs in reducing poverty. They had time to want to know the actions of VSLG and they have always received satisfactory clarification by the beneficiaries on site. As for entrepreneurs visited, they explained at length that it was thanks to VSLGs they managed to reach the stage where they are currently.

## 2.9. VSLGS TRAINING ON FINANCIAL EDUCATION BY VILLAGE AGENTS

The VAs that have been trained the first round and those trained the second round at Nyanza have had a mission to go to deliver the same training to their VSLGs. The table below shows the list of VSLGs trained so far.

District	Total # VSLGs trained on Financial Literacy so far	# VSLGs trained on Financial Literacy which came from those which are trained on Enterprise development
Nyamagabe	84	38
Huye	81	30
Nyaruguru	50	30
Gisagara	43	23
Nyanza	44	14
Ruhango	37	9
<b>Total</b>	<b>339</b>	<b>144</b>

It is obvious that all VSLGs identified to be trained on enterprise development, have been all trained on financial education and linkage by Village Agents. Indeed, from the table above, 144 VSLGs trained on Enterprise development have received the training of Financial Literacy. Therefore, so far the cumulative number of VSLGs trained on enterprise development that were trained on financial literacy and linkage by Village Agents is 144VSLGs. Today, the cumulative of VSLGs trained on financial literacy and linkage is 339.

## 2.10. VSLG TRAINING ON ENTERPRISE DEVELOPMENT

The VSLG members training on enterprise development is one of the pillars of GEWEP project concerning the economic development of the VSLG members. The following table shows the number of VSLGs trained so far and those who are being trained and then the remaining VSLGs to be trained by the Districts.

District	Sector	# VSLGs trained
Huye	Rusatira	3
	Isimbi	1
	Maraba	5
	Kinazi	3
	Ruhashya	2
	Ngoma	5
	Mbazi	2
	Huye	1
Nyamagabe	Kamegeri	6
	Cyanika	5
	Tare	4
	Gasaka	5
	Kitabi	4
Nyaruguru	Ngoma	7
	Cyahinda	3
	Mata	2
	Ngera	7
	Kibeho	3
Gisagara	Musha	4
	Mamba	4
	Save	9
	Ndora	3
	Gikonko	3
Nyanza	Busasamana	2
	Rwabicuma	3
	Mukingo	3
	Kigoma	1
	Muyira	5
	Kibirizi	1
	Busoro	1
Ruhango	Ruhango	17
<b>Total</b>		<b>124</b>

The 120 VSLGs expected to be trained on the Enterprise development; 103.3% have been trained so far. As output of the training, there is better understanding of what the entrepreneurship is and how to become a successful one. The VSLG members enthusiastically asked questions during the training and requested more training on the entrepreneurship. The target of women potential entrepreneurs is 360 from whom 30 will be identified to be trained on investor readiness training, so far 177 women have been identified during the

training based on their IGAs and confirming them after visiting their IGAs on the area they operating it.

### 3. MONITORING AND EVALUATION

#### 3.1. CONTRIBUTION TO INDICATORS

Comparing the below indicators and the achievements of the project during this reporting period, and knowing that the good success of any project like this starts by having a common understanding of it by all stakeholders as well as having the right information on the project area and project beneficiaries as well as knowing that for this August 2014-November 2015, field visits focused on visiting VSLGs, meeting with U-SACCO managers as well as sharing project objectives, activities and Linkage with project beneficiaries and Enterprise development training; we hope that this is significant contribution to the success of the project and constitute a steppingstone of it.

	<b><u>Output #</u></b>			
<b><u>Activities</u></b>	<b><u>Indicators</u></b>	<b><u>Target</u></b>	<b><u>Achieved</u></b>	<b><u>Comments on realized/not realized activities</u></b>
<b>Activity 1:</b> Linking to financial institutions	# of VAs trained on financial linkage / education (in ToT)	60 Village Agents	61 Village Agents	All planned Village Agents have been trained. The achievement is 102%
	# of VSLAs linked to MFI	440VSLGS	625 VSLGs	So far, the VSLGs linked as of November 2015, are 625 within 18'602 members. The achievement is 142%
	# of loans taken from MFI by VSLGs	760 Loans	798 loans	With 482'049'150 Rwf cumulative loans. Here achievement is 105%
	# of VSLA members using groups loan from MFI (disaggregated per sex)	9'000 VSLG members	18'602 VSLG Members with 14'882 women and 3'720 men	Here achievement is 207%
<b>Activity 2:</b> Entrepreneurs	# of VSL group implementing IGAs	900 VSLGs	625 VSLGs	Achievement is 69.5%

	<b>Output #</b>			
hip development	# of VA skilled in entrepreneurship and support value chain group members	60 Village Agents	44 Village Agents	They benefit enterprise development training with their respective VSLG Members. Here achievement is 73.3%
	# of VSLA members trained and skilled in entrepreneurship and involving in value chain	3'600 VSLG members	3'628 VSLG members	All enterprise development sessions have been covered and the achievement is 108%
<b>Activity 3:</b> Linkage to private sector	# of enterprises promoted and linked to market	12 Enterprises	N/A	This will be facilitated by care International Rwanda by January 2016
	# of entrepreneurs (disaggregated by sex) operating under cooperatives	180 Entrepreneurs	N/A	This will be facilitated by care International Rwanda by January 2016

#### 4. SUCCESSES

1. Some local authorities after found the benefits of VSLGs they are engaged to accede to it and this action further their building,
2. The creation of VSLGs has sparked active participation in some community action as the mutual health insurance , community meeting , community development actions and community work
3. VSLGs have created the entrepreneurs of development actions. it is mainly women, while these actions were usually reserved for men
4. The VSLGs have provided the woman's capacities to participate in decisions-making bodies,
5. The vulnerable population are open and view the importance of working with MFIs for improving their life conditions
6. There are more opportunities for individual growth and poverty alleviation due to the availability of larger loan amounts. These loans have been very useful for the clients as they have been able to start new businesses or expand old ones. Some of the businesses undertaken by the clients are buying and selling bananas, sorghum and vegetables; making and selling banana beer and sorghum beer; buying and selling small animals.

#### 5. BEST PRACTICE

1. Poor people are bankable; they can save and manage loans effectively and utilize them for investment into businesses. There is however a need to concurrently support with

marketing and business development initiatives and focus on the impact these initiatives have on addressing underlying causes of poverty.

2. The VSLA methodology instills discipline in the group members and makes it easier for them to work with the bank.

## 6. CHALLENGES AND RECOMMENDATIONS

No	Challenges/obstacles encountered or observations.	Recommendations/Suggestions
01.	FIs in Rwanda including VFC have a very weak rural presence. In some regions, there are no branches or the branches are as far as 50 KM from the VSLGs.	To help with the distance, VFC could open an account with a close by SACCO to aid in loan repayments and deposits. The groups should inform the credit officer of any deposits and the information should be updated by VFC in their records.
02.	The Credit Officers have monthly targets to meet, and it's easier for them to deal with clients who are closer to the Bank and take bigger loans or make bigger savings. This tempts them to concentrate on urban areas and yet most VSLAs are in remote rural areas.	Once the number of groups linked with the bank increases, it would be feasible for the bank to invest in dedicated staffs.
03.	According to the Vision Finance Company, they have not been able to make the operations profitable yet due to the high cost of transportation. As the number of groups linked with VFC increases in a sector,	VFC should be able to reduce their operational costs. Further study needs to be done to evaluate the cost of current linkage process.
04.	Some of VSLGs stopped saving and loan activities directly after the closing ISARO I Program.	There is a need for a short term program to help local leaders in the area to own VSLG activities mainly in the zones of the Districts that may not be reached by ISARO II Program.
05.	Defaulting behavior towards Formal Financial Institutions like VFC have been observed in some of VSLGs and VSLG members.	There is a need for a refresher training of all Village Agents on financial linkage procedures and its guidelines
06.	VFC branches have complained that there is no defined way of working with ARTCF&CARE in Rwanda.	The Credit Officer and FO should make weekly plans and communicate these plans to each other.

07.	In some VFC branches, there are no cashiers to take deposit from the clients	VFC should open the account in U-SACCOs to facilitate VSLGs deposit cash.
08.	U-SACCO branches are not computerized and managing so many clients manually is a challenge for the U-SACCO Managers	CARE International in Rwanda should discuss with the BNR how the computerized processes can be streamlined with respect to the VSLA groups.
09.	The hesitation of U-SACCOs to provide loans to VSLGs before signing the MoU that was prepared by CARE International in Rwanda without follow up.	CARE International Rwanda would contact U-SACCO Leaders at National level to find appropriate solution.
10.	Lack of VSLGs on financial literacy and SPM training.	Continue financial literacy and SPM training. These trainings have to play an important role in keeping the loan utilization rate in the GEWEP very high especially in Southern province where people are not commercially oriented.
11.	Some VSLGs tend to recover delinquent loan by force	Local authorities should be more implicated in monitoring of VSLG activities