

Periodic Project Report: Year One

Project Title	Promoting Opportunities for Women's Economic Empowerment in Rural Africa (POWER Africa)		
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Period Covering	November 2013 to 31 December 2014		

REPORT SUMMARY

CARE Canada, in partnership with the MasterCard Foundation, is implementing the multi-country POWER Africa financial inclusion project in Burundi, Ethiopia, Cote d'Ivoire, and Rwanda ("Promoting Opportunities for Financial Inclusion in Rwanda" - PROFIR). This four-year project aims to increase the financial inclusion of 480,000 direct beneficiaries and their households through forming savings groups, financial education, and linking mature groups to formal financial institutions. In Ethiopia, the majority of beneficiaries are women/woman-headed household recipients of the government's social security Productive Safety Net Programme. In Burundi, the project specifically targets adolescent girls (75% outreach) and Cote d'Ivoire is working with both men and women in rural and peri-urban settings. Rwanda is targeting mature VSLAs, the majority women, to link them to financial institutions.

Key project achievements during the reporting period:

- The project was successfully launched across all countries and used a participatory approach to bring together government and community-level partners. Government stakeholders have been involved in and supportive throughout the year and the project has worked closely with departments of finance, gender, and social development in Rwanda, Cote d'Ivoire, Ethiopia and Burundi as well as Ethiopia's department of agriculture and cooperatives and Rwanda's micro finance association. The project has also partnered with local organizations including village agents' associations for community-level implementation. Orientation workshops were held in each country to introduce stakeholders to POWER's objectives and planned activities, as well as for government stakeholders to determine ways to collaborate in line with their respective financial inclusion strategies.
- The project identified and signed MoUs between CARE and local partners to recruit and train 1,418 village agents (VAs), with Burundi having 514 VAs, Cote d'Ivoire 327, Ethiopia 305, and Rwanda 272. VAs per country depends on area coverage, population, and workload.
- The first half of year one focused on start-up activities such as recruiting and training staff; signing agreements; procuring assets; and identifying, assessing and building the capacity of selected partners in management, accountability, VSLAs, financial education, and linkage.
- With the foundation largely laid, the second half of the year focused on identifying and building the capacity of community-level village agents to roll out VSLA outreach, mobilise people for VSLA training and formation, financial education and linkage to formal financial institutions.
- By the end of year one, the project has reached a total of 110,315 people (94,847 women; 27,607 adolescent girls; 15,486 men). The 5,303 VSLA groups formed in year one have cumulatively saved US\$1,087,654 and have US\$1,032,590 in outstanding loans. It is important to note that 528 groups (9,093 people) were also reached, but have yet to appear in the VSLA Management Information System because their VSLAs are still maturing.
- Specific to M&E, the last quarter of the year began with Project Managers and M&E officers attending training of trainers on the VSLA Management Information System (MIS). Each country developed an MIS action plan to help track VSLA performance and quality and the trainers then

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rolled out MIS training for implementing organizations in each country. The POWER Africa regional team and country office M&E officers also worked together to monitor group quality and assisted consultants to conduct inception visits for the impact assessment studies in Rwanda and Ethiopia and baseline studies in Burundi and Cote d'Ivoire that will begin early in year two.

2.0 Project Implementation and Performance

Sensitization and awareness building was a major activity in year one in order to reach new areas for VSLA creation and training. Project implementation started with building the awareness and understanding of POWER Africa's objectives and role in financial inclusion among relevant government departments such as those for gender and social services, finance, and cooperatives; key stakeholders such as banks and micro finance institutions in Rwanda; community leaders; and local organizations. Local partners were identified to implement the project and a total of 1,428 village agents were trained to roll out VSLA, financial education and linkage training by conducting VSLA awareness creation and training for communities in Ethiopia, Burundi, Cote d'Ivoire and awareness and training on linkage in Rwanda.

2.1 Outreach

Actual rolling out of project activities started in quarter three after ensuring that community level structures for implementation were established. In year one, the project reached 110,315 people, 94,847 (86%) of them women and girls. All countries surpassed their year one targets for outreach. The project impressively reached 26,903 adolescent girls in Burundi. Furthermore, 5,303 VSLA groups were formed. There was a significant jump in VSLA membership in the last quarter of the year with the number of people reached increasing from 76,712 in quarter 3 to 110,315 (an increment of 44%). We also had a total of 528 groups (9,093 people) at different phases of intensive training and monitoring, either in training or already mobilizing savings but yet to appear in the MIS because of the youngness of the VSLAs.

By end of the year, the project had VSLA groups in different stages, with the majority in the intensive and development phases, which affected the rate of new groups being identified and trained, particularly in Burundi and Cote d'Ivoire. The intensive phase calls for rigorous monitoring VSLA group meetings and the trainer must attend all the meetings until groups graduate to the development phase when the intensity of monitoring group decreases. The project had no graduated groups by end of the year given that recruitment of groups started towards the end of quarter 2 and were therefore seven months and below.

In Burundi, 1,785 groups (36,232 people) were reached, 26,444 of them adolescent girls and 55% of these girls in school. While the average meeting attendance rate across countries was 94%, Burundi had the lowest attendance rate at 91%, much of it attributed to school-going girls not always being able to attend meetings. Good lessons were learned about working with adolescent girls and changes that need to be made in the VSLA training manual to fit their needs. We also learned that, in order to bring lasting change for girls, there is need to work with boys and girls, men and women. It is also important to note that, apart from the 1,785 groups in Burundi, we also had 247 groups (5,845 people) either in training or already trained and mobilizing saving but yet to appear in the MIS because of VSLA maturity.

In Cote d'Ivoire, 928 VSLA groups (19,483 people) were reached and are included in the MIS. Another 50 groups (1,306 people) have been reached but are not yet appearing in the MIS. VSLA promotion has had overwhelming government support and different departments were involved in translating VSLA and financial education training manuals into French. VSLA operation in Cote d'Ivoire is more aligned to the cooperative system where groups start loan disbursements after three months and the loan repayment period is three to six months. This affects savings mobilization and return on savings as groups tend to have money lying idle in the cash box and thus the value of outstanding loans is extremely low at US\$24,657 compared to cumulative savings of US\$80,368. Nevertheless, there is a lot of interest in joining VSLAs, meeting attendance is good and retention rate is very good. Despite these challenges,

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Cote d'Ivoire exceeded its year one targets with 19,483 people reached (target: 10,000). Adolescent girls in Cote d'Ivoire are also interested to join VSLAs and 1,163 girls had joined groups by the end of year one. There are also good lessons in Cote d'Ivoire in terms of rural versus urban VSLAs. 450 groups have been reached in urban areas and their portfolio quality is impressive. The POWER regional team plans to redefine the VSLA methodology in Cote d'Ivoire through capacity building and exchange programs.

In Ethiopia, 1,604 VSLA groups (26,010 people) have been reached (year one target: 8,000). Groups in Ethiopia had both the highest attendance rate (97%) and client retention rate (98%). The project is targeting the most vulnerable women who are benefiting from the Government of Ethiopia's Productive Safety Net Programme, a government social security fund. In year one, Ethiopia had the best performing VSLA groups in terms of quality of savings mobilized, return on savings, and loan uptake. By the end of year one, Ethiopia also had another 231 groups (1,942 people) reached and operating but yet to appear in the MIS report due to their still maturing. The lesson learned here is that, with good training and mentorship, even the poorest can access and use financial services as a first step in poverty reduction. The current challenge in Ethiopia is with district-level government as CARE VSLAs are performing much better than government-supported rural savings and credit cooperative societies (RUSACCOs).

In Rwanda, after taking long to establish strategies for financial education and linkage to formal financial institutions, Rwanda posted the most impressive outreach results in quarter 4 reaching 28,590 people with financial education (target: 20,000). The significant increase in VSLA membership across all POWER Africa countries was mainly attributed to financial education training in Rwanda where the project is working with more mature VSLA groups. In Rwanda, 986 VSLAs were trained in financial education and 432 groups (12,960 people, 10,368 of them women) were linked to formal financial institutions.

2.3 Savings

At the end of year one, cumulative savings for the project was US\$1,087,654. A tremendous 565% increase in cumulative savings from US\$192,521 in quarter 3 to US\$1,087,654 was largely attributed to **Rwanda** targeting mature groups for linkage and also depending on the cycle period. In Rwanda, the average savings for groups already trained on financial education was US\$27.80. Rwanda posted cumulative savings of US\$679,422. This is not included in the overall project average because Rwanda is using a different MIS system (web-based) and groups are at a far more mature level of development.

Ethiopia, Burundi, and Cote d'Ivoire also reported impressive increases in cumulative savings, with Cote d'Ivoire registering an increase increment of almost 300%. The huge increase in savings mobilized near the end of year one is attributed to the fact that most groups formed in quarter 3 were already in development phase and some of the groups in Cote d'Ivoire and Ethiopia were already in maturity phase.

The average saving across **Ethiopia, Burundi, and Cote d'Ivoire** was US\$4.80. Ethiopia had the highest average savings with an average of US\$7.20, Cote d'Ivoire at US\$3.80 and Burundi at US\$3.50. Across the three countries, there was also steady growth in average savings over the course of year one from \$1.27 in quarter 2 to \$2.51 in quarter 3 and then up to \$4.80 in quarter four.

This is attributable to a number of factors: share-buying in Burundi, increased savings level in Ethiopia, quality of savings in Cote d'Ivoire, retention rate which has seen members continue participating in the groups from intensive training, intensive monitoring, development and eventually to maturity phase.

In Ethiopia, the constitution of 279 groups was amended as a way of strengthening groups formed at the beginning of the year and also to increase savings. At the end of year one, Ethiopia posted cumulative savings of US\$205,276.

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In Burundi, a similar savings trend was observed with cumulative savings at the end of year one at US\$122,588, representing an increase of 189% from quarter 3 to 4. The Burundi case is unique because, unlike other countries, Burundi's adolescent girls have adopted purchase of shares and some of the adolescent girls in schools are being supported by their mothers.

In **Cote d'Ivoire**, cumulative savings was US\$80,368.

2.4 Loans

At the end of year one, the total value of loans outstanding was US\$ average outstanding loan size was US\$10 (a decrease of 59.4% from US\$16.84 in quarter 3) and 34% of members had outstanding loans. A number of factors contributed to this: i) groups in maturity phase preparing for share out and limited the number and size of loans; ii) the long duration of loan repayment in Cote d'Ivoire affected the frequency at which the groups could disburse loans; and iii) the time taken (3 months) before members qualified for loans in Cote d'Ivoire. The loan utilization rate for Cote d'Ivoire was extremely low (19.4%) for these reasons. The percentage of members with loans in Cote d'Ivoire was only 6.5% compared to 41.2% in Burundi and 43.7% in Ethiopia (please see MIS data in Annexes). This was also reflected in the percentage of members with outstanding loans with Ethiopia registering the highest loan utilization rate at 74.5%, followed closely with Burundi at 72%. Please see the analysis in table 1 below.

In Ethiopia, improvements in loan uptake and general quality of groups could also be attributed to the fact that the Ethiopia VSLA groups are also being linked to CARE's Food Sufficiency for Farmers (FSF) project through which beneficiaries are also receiving Selection, Planning and Management business management skills training (13,805 people trained) and training on production of agricultural produce.

In Cote d'Ivoire, the POWER Africa regional team has discussed the possibility of hiring additional staff for business management skills training as most of the beneficiaries are not familiar with how to initiate and manage a micro enterprise. Capacity building, exchange programs, and redefining approach is also planned for Cote d'Ivoire.

Table 1 - Key project indicators by country

It is important to note that this analysis does not yet consider the number of VSLA groups in training, already trained, and mobilizing savings that have not yet been captured in the VSLA MIS, nor those that are already trained but have yet to start mobilizing their savings. The following have been trained but are not yet captured in the MIS: 247 groups (5,845 people) in Burundi; 50 groups (1,306 people) Cote d'Ivoire; and 231 groups (1,942 people) Ethiopia.

Indicator	Burundi	Cote d'Ivoire	Ethiopia	Rwanda	Total
Total VSLA groups trained and financial literacy training (Rwanda) in the quarter	344	363	184	796	1687
Total VSLAs reached/established to date	1,798	928	1,604	986	5,316
Total VSLA members to date	36,232	19,483	26,010	28,590	110,315
Total female VSLA members	36,224	16,766	18,342	23,515	94,847
Total male VSLA members	8	2,717	7,668	5,075	15,468
Total number of adolescent girls	26,444	1,163	-	-	27,607
Total Amount Saved (US\$)	122,588	80,368	205,276	679,422	1,087,654
Average savings per member (USD)	3.5	3.8	7.2	27.8	10.77

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% of members with outstanding loans	41.2%	6.5%	43.7%		28.03%
Average Outstanding loan size (USD)	6.8	19.4	13		10
Value of outstanding	100,047	24,657	158,268	749,618	1,032,590
Number of groups linked to bank	-	-	-	432	432
Amount saved in Bank/ MNO	-	-	-	-	-

2.5 Financial Education and Linkage to Formal Financial Institutions

The financial education component of the project was introduced in quarter three, mainly in Rwanda. At the end of year one, 28,590 people had been trained in Rwanda. 272 village agents have undergone training of trainers to then roll out training on financial education and linkage to formal financial institutions. Education materials were also simplified for easier user understanding.



Village Agents on financial education and linkage training of trainers in Rwanda

For linkage to formal financial institutions, the project worked on systems to have very clear understanding of linkage needs in Rwanda and Cote d'Ivoire. The project team realized that a first step in linkage to formal institutions required both VSLA understanding of linkage as well as understanding how the formal financial institutions would work with the village agents referred to as linkage assessment, which was not considered in the project design. The Rwanda Country Director accepted to look for funding and Rwanda's linkage ecosystem study that was essential to better understand the Rwandan financial sector, VSLA needs for linkage, and formal financial sector willingness to partner with CARE to link mature VSLA groups to formal financial services. The linkage assessment study was also done in Cote d'Ivoire and the draft report is ready. In both Rwanda and Cote d'Ivoire, the project plans to proceed to engaging financial institutions to develop partnership agreements and products appropriate to VSLAs. In Rwanda, the country office is already rolling out the financial and linkage training while, in Cote d'Ivoire, the POWER regional team has provided training of trainers on linkage to CARE staff. Through financial education in Rwanda, VSLAs have developed interest in linkage and, while CARE works with financial institutions on product development, 432 groups (12,960 members - 10,360 women) have opened bank accounts.

5.0 Key Lessons

- Paying Village Agents makes project delivery easier.
- Designing a project for adolescent girls needs a holistic approach that addresses a number of thematic areas. Some of the girls are as young as 14 years and already have children, in most cases as a result of rape resulting in community stigma and discrimination. Some of the girls are the household heads given that they are orphans, and there is a lot of trauma among adolescent girls that calls for more interventions beyond POWER Africa. The girls also suffer from lack of self-esteem.
- In order to work with adolescent girls in and out of school, it is important to work with existing youth groups that are operating in schools, youth centers and forums, and parent & teacher committees.
- Adapting VSLAs to adolescent girls requires adjusting the methodology at every step to suit their realities compared to adults. Working with girls may require meetings with parents or teachers before groups form for them to understand what the girls will be doing, especially at early stages. Linkage to formal financial institutions is also lower when girls' groups are mature and banks rarely have group accounts for youth. Meeting venues for girls can be a challenge and sometimes training can only be

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done during school holidays. Girls being in school also reflects in their low meeting attendance and retention rates, which needs attention in adapting the VSLA model to girls' realities.

- Savings mobilization is increasing and demonstrates that even the poorest of the poor are able to save and are worthy of support to access financial services.

7.0 Testimonies: Success Stories



I am Letitia Niragira and I was born in 1995 in Bubezihill in Kayanza in Burundi. I am a VSLA group member and also a Form II student at Murago communal college. In May 2014, I contracted a loan of 10,000 Burundian francs to buy a sack of coal. Within two weeks, the coal that I bought at 10,000 BIF gave me an interest of 5,000 Burundi Francs (50%). At the end of August, I had collected an interest of 16,000 Burundian francs which formed my own capital after reimbursement of the credit. I am able to save at weekly basis and to satisfy my small needs. I have recently bought a tooth paste for 700 Burundi francs, a pair of shoes at 3,000 Burundi francs, I gave a shirt valuing 3,000 BIF to my friend during his social event, and I bought copybooks at 9,000 BIF. Actually, I have taken a second loan of 14,000 BIF and invested in commerce of cassava flour, maize flour, and cooking oil. These products are sold at home and in the neighborhood and allow me to combine VSLA participation and go to school. I want to continue with diversification of IGAs without interrupting my studies.

“I bought a phone, I communicate easily and I have one hundred thousand Burundian francs in my pocket thanks to POWER Africa. It is very significant for a girl like me.”

Violette MUTETIWABO
POWER Africa participant
Giteranyi commune, Burundi

