



FINAL PROJECT REPORT FOR THE CLOSING THE FINANCIAL INCLUSION GAP IN RWANDA PROJECT

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Table of Content

Table of Content.....	2
Acronyms	4
Executive Summary.....	5
1. Project Background.....	8
1.2 Project Objectives	9
1.3 Project Geographical Coverage, Delivery Model and Stakeholders engagement	9
2. Project Implementation Process	10
2.1 Establishment and Capacity Building for the Village Agents Network	10
2.1.1 Selection of new Village Agents:	11
2.1.2 Establishment of VAN management committees and Selection of 416 Master trainers.	11
2.1.3 Capacity Building for the Village Agents.....	12
2.2 Mapping/Selection of Project Participants	14
2.2.1 Pilot of the Mapping tool and approach:	14
2.2.2 Countrywide Mapping Roll out.....	15
2.2.2.1 Orientation of Master Trainers and VAN presidents on the mapping tool in all 30 districts..	15
2.2.2.2 Monitoring the orientation of agents and Mapping the financially excluded in their respective villages	15
2.2.3 Findings from the Mapping.....	16
2.2.3.1 Levels of financial exclusion in districts.....	16
2.2.3.2 Livelihood conditions of the financially excluded citizens.....	17
2.3 Closing The financial Inclusion Gap – Organizing the Financially Excluded into VSLAs.....	20
2.4 From Informal to Formal Financial Inclusion -Linking VSLAs to Formal Financial services.....	24
2.5 Promoting EjoHeza through VSLA, a sustainable Platform	26
2.6 Digitalization of VSLAs transactions	28
3 Monitoring and Evaluation.....	29
3.1 Monitoring	29
3.1.2 Joint progress review meetings:.....	29
3.1.3 Joint Field monitoring with the district JADF:.....	29
3.1.4 MIS Data collection and Entry Process	29
3.2 Endline Evaluation	29
3.2.1 Increased saving culture and capacity:	30
3.2.2 Improved financial management and investment into Income generating activities:	30
3.2.3 Access to loans and Loan size:	30
3.2.4 Improve and Diversified sources of Income	31
3.2.5 Increased Household monthly income	31
4 Best Practices and Key Lessons Learnt.....	32
4.1 Best Practices.....	32
4.2 Key lessons learned	33
5 Sustainability Mechanisms.....	33

6 Challenges and Recommendation	35
6.2 Key Recommendations	36
<hr/>	
8. Annexes:.....	37
Annex 1 : General CARE Rwanda’s VSLA distribution and Performance	37
Annex 2: CFIGR created VSLAs distribution and Performance per district	37
Annex 1 : General CARE Rwanda’s VSLA distribution and Performance	38
Annex 2: CFIGR created VSLAs distribution and Performance per district	40

Acronyms

AMIR	Association of Microfinance Institutions in Rwanda
BDO	Business Development Officer
CARE	Cooperative for Assistance and Relief in Everywhere
CBHI	Community Based Health Insurance aka Mutuelle de Santé
CFIGR	Closing Financial Inclusion Gap in Rwanda
COVID-19	Corona Virus Disease
DDFIR	Deepening Digital Financial Inclusion in Rwanda
FSPs	Financial Service Providers
JADF	Joint Action Development Forum
HH	Household
GEWEP	Gender Equality and Women's Empowerment Program
GoR	Government of Rwanda
LODA	Local Administrative Entities Development Agency
LTSS	Long-term Saving Scheme
MINECOFIN	Ministry of Finance and Economic Planning
MFIs	Micro-Finance Institutions
MIS	Management Information System
NFIS	National Financial Inclusion Strategy
NST	National Strategy for Transformation
RSSB	Rwanda Social Security Board
SACCOs	Savings and Credit Cooperatives
UNCDF	United Nations Capital Development Fund
VA	Village Agent
VAN	Village Agents' Network
VSLA	Village Savings and Loan Association
SACCOs	Savings and Credit Cooperatives

Executive Summary

Founded in 1945, CARE International is a leading humanitarian and development organization fighting global poverty. CARE International started operating in Rwanda in 1984 and has recently adopted a new country strategy covering FY22-FY25, which is fully aligned with the Rwanda National Strategy for Transformation (NST1) and focuses on women and girls' economic and climate justice, gender justice and right to health. *By 2025, 1,500,000 women and girls aged 10 to 59 years old have graduated out of poverty and positioned themselves in the green private led economy while enjoying equal rights, voice, leadership, and opportunities and living in dignity.* To achieve this goal, CARE international in Rwanda works closely with different stakeholders including CSOs, Private sector and the government at national and local levels.

From September 2019 to April 2022, MINECOFIN technically and financially collaborated with CARE to design and implement a project called the Closing Financial Inclusion in Rwanda (CFIGR) that aimed at closing the financial inclusion gap and promoting the long-term saving scheme (LTSS) among VSLA members. The main objectives of the projects were.

- I. Improving the financial literacy levels and saving culture of 700,000 financially excluded (75% women) in 30 districts of Rwanda.
- II. Increasing access to and use of appropriate and affordable customer centric products/ services for 560,000 financially excluded Rwandans.
- III. Piloting effective transition to cashless payments, through the digitalization of at least 2080 of the supported saving groups' operations/transactions and development and provision of technology based formal financial services.
- IV. Increasing LTSS subscriptions and sustained payments through VSLAs as platforms.
- V. Expanding the existing CARE's Agents Network to cover all 14,837 villages as a community development advisory, catalyst, and support structure.

Key Achievements

Thanks to CFIGR project, CARE's financial inclusion work now covers **30** Districts through **15,053** Village Agents supporting **39,776** village savings & loan groups (VSLGs) with over **1,087,154** members, **74% being women** that have so far mobilized around **RWF 25,352,861,314 (\$ 25M USD)** of total savings and use **RWF 22,124,081,062 (\$ 22M USD)** of cumulative loans¹ invested in groups' members income generating activities. The CARE-MINECOFIN partnership project has been able to contribute to closing the financial inclusion gap by organizing **440,036** financially excluded citizens (71% women) into **17,088** VSLAs. These VSLA members form part of the **745,459** people mapped at the beginning of the project as financial excluded representing **59%** and are now financially included. In addition, **369,726** VSLAs members have access to formal financial services which include SACCOs, MFIs and Banks where they can save and borrow for personal needs.

To increase LTSS subscriptions and sustained payments through VSLAs, CARE integrated LTSS into financial literacy manual as an effective manner for VAs to deliver messages to VSLAs members and make informed choices; subscribe and persistently save through the long-term pension scheme. CARE trained and equipped master trainers with digital materials. Under the additional financial

¹ MIS Data for the current VSLA cycle (9-12 months) as of April 30, 2022.

support of the UNCDF, **416** master trainers in each village were equipped with digital materials including tablets and animated videos to help mobilize, register, and follow up on LTSS payments by VSLA members. To date, **225,293 VSLA members** (70% women and 21% youth) both from old and new VSLAs have registered in EjoHeza scheme. **197,151** members (68% women) are active savers and FRW 1,429,982,010 saved as annual contributions as of end April 2022.

The project also contributed to an effective transition to cashless payments, through the digitalization of some of the supported saving groups' operations/transactions and development and provision of technology based formal financial services. The project was able to test digitalization of the VSLAs transactions through a CARE owned application called CHOMOKA. CHOMOKA records all transactions from savings, loans and social funds, community-based health insurance and records are saved on a secured server. At the end April 2022, **258** VSLAs had been digitized in **26** districts with the support of **210** trained digital/CHOMOKA agents, including **one** digital master trainer per district who support their peers while onboarding VSLAs into CHOMOKA application. The project purchased 260 smart phones to support the initiative. The above-mentioned digitalized VSLAs have been able to digitally transact RWF 107,880,000 as outstanding loans and RWF 389,009,000 as total savings

Challenges

The project implementation has not happened without challenges. Though CARE has extended the village agents networks across the districts, there was also high dropout rates of between 5% to 10% for greener pastures which delayed organizing financially excluded members into VSLAs. It should be noted VA's work is voluntary and most of them work with no or little incentives.

The delay in creation of VSLAs and formal financial linkages was also due to COVID-19 restrictions and lockdowns which restricted movements of Village agents and project staff to interact with project participants.






The Enforcement of EjoHeza in newly created groups by local leaders without necessarily respecting the pre-defined EjoHeza-VSLA integration guidelines (agreed upon with MINECOFIN and EjoHeza teams) has been another challenge that might have affected the enrollment of groups members into the scheme

Lessons Learnt and Key Recommendations



- Since the primary purpose of a VSLA scheme is to act as a platform to promote savings and access loans for members, there is strong need to speed up VSLA digitalization through VSLAs digital platforms to build trust with financial institutions, and address barriers that affect VSLAs and members to access and use affordable and appropriate formal financial services.
- Project participants are positive that Village Agents tremendously led to improvements in savings, access to loan and improving their livelihood conditions in the areas covered by the project. Therefore, providing significant monetary performance-based incentives to the village agents would improve their ability and motivation to support VSLAs members.
- The implementation model through community-based structure such as the VAN in collaboration with local government is cost effective but requires time and close collaboration to build and nature relationships and support-supervision.

- A program with focus on institutional capacity building for the village agents network is strongly recommended to implement, replicate, and sustain different community development programs
- The VSLA self-management principles conflict with any rushed mobilization of members to join EjoHeza if they are not engaged enough to include the scheme into their saving goals. Active mobilization of EjoHeza is more effective among mature VSLAs whose members have improved livelihood conditions and acquired the saving culture

Summary of achievements against targets:

Main Activity	Target	Achievement	%
 Expanding and supporting the Village Agents Network (VAN) structure	14,837 agents in all villages	15,053 Agents on board ²	100%
 Mapping out the financially excluded citizens	700,000 citizens (FinScope, 2016)	745,459 citizens identified as financially excluded	106%
 Organising Financially excluded people into VSLAs	Organize 700,000 excluded people into 18,666 VSLAs	17,088 new VSLAs created with 440,036 members (71% women). These VSLAs created by the project mobilized Frw 8,156,171,773 as total savings and are using Frw 4,974,332,340 as loans.	92% (VSLAs) 63% (Members)
 linking VSLAs members to Formal financial service providers	560,000 VSLAs members	369,726 VSLAs Members have access to formal financial services which include SACCOs, MFIs and Banks	66%
 Digitalization of VSLAs transactions	<p>Initial targets: 2080 VSLAs (5 per sector in 416 sectors)</p> <p>Revised targets per the final approved budget: 416 VSLAs (1 VSLA per sector)</p>	<p>The initial targets in the MoU were 2080 VSLAs before budget revisions/cuts at the signing of the MoU and the revised targets were 416 VSLAs as per the final approved budget (1 per sector) and later on to 300 VSLAs (10 per district) due to the changes in the price of smart phones.</p> <p>By the end of the project, 258 VSLAs have been digitized.</p> <p>The main factor that informed</p>	86.6%

² The number of agents exceeds the number of villages as some villages where CARE had been operating before CFIGR had more than one agent per village.

		the revision of the targets was the budget constraints – a separate detailed explanation/ justification note had been submitted to MINECOFIN for approval and is attached to this report.	
  <p>Integration of EjoHeza – mobilization for enrollment/registration and payment of contributions</p>	600,000 mature VSLA members	225,293 (157,328 women representing 70% women and 21% youth) registered in the scheme. 197,151 members (68% women) are active savers and FRW 1,429,982,010 saved as annual contributions as of end April 2022	33% (for only active savers)

1. Project Background

Founded in 1945, CARE International is a leading humanitarian and development organization fighting global poverty. CARE places special focus on working alongside women and girls and its proven models show that, equipped with the proper skills and resources women and girls have the power to lift whole families and entire communities out of poverty.

CARE International started operating in Rwanda in 1984, and has recently adopted a new country strategy covering FY22-FY25, which is fully aligned with the Rwanda National Strategy for Transformation (NST1) and focuses on women and girls’ economic and climate justice, gender justice and right to health. *By 2025, 1,500,000 women and girls aged 10 to 59 years old have graduated out of poverty and positioned themselves in the green private led economy while enjoying equal rights, voice, leadership, and opportunities and living in dignity.*

The program allows CARE international in Rwanda to develop and implement interventions models that complement one another thereby achieving greater impact on the lives of women and girls and contribute to their sustainable graduation out of poverty. To achieve this goal, CARE international in Rwanda works closely with different stakeholders including CSOs, Private sector and the government at national and local levels. It has a formal partnership with the ministry of Finance and Economic Planning/MINECOFIN to advance Financial Inclusion in Rwanda through Voluntary Saving and loans/VSLA model and its linkage to formal financial services implemented through community-based structures of Village Agents/VAs.

Today CARE’s financial inclusion work covers 30 Districts through 15,053 Village Agents supporting 39,776 village savings & loan groups (VSLGs) with over 1,087,154 members, 74% being women that have so far mobilized around FRW 25,352,861,314 (\$ 25M USD) of total savings and use FRW 22,124,081,062 (\$ 22M USD) of cumulative loans³ invested in groups ‘members income generating activities The village agent Network model is recognized for its cost effectiveness whenever it is used to implement and replicate the VSLA methodology as a strong driver of financial inclusion for individuals and families of low-income earners in rural areas. CARE International has been credited for its ability and efficacy in establishing community based technical structures that could be tapped

³ MIS Data for the current VSLA cycle (9-12 months) as of April 30, 2022.

into by any development organization or government to easily reach and serve underserved people. Therefore, the widespread use of the methodology both within and outside CARE portrays its appropriateness to increase outreach, scope, and sustainability of VSLA in respective communities.

In recognition and support to these efforts, and in the framework of the existing CARE-MINECOFIN MoU to advance financial inclusion in Rwanda, MINECOFIN decided to technically and financially collaborate with CARE to design and implement a project that aimed at closing the financial inclusion gap and promoting the long-term saving scheme (LTSS) among VSLA members and their families.

This report highlights the project achievements during its entire period of implementation from September 2019 to April 2022.

1.2 Project Objectives

- VI. Improving the financial literacy levels and saving culture of 700,000 financially excluded (75% women) in 30 districts of Rwanda.
- VII. Increasing access to and use of appropriate and affordable customer centric products/ services for 560,000 financially excluded Rwandans.
- VIII. Pilot effective transition to cashless payments, through the digitalization of at least 2080 of the supported saving groups' operations/transactions and development and provision of technology based formal financial services.
- IX. Increasing LTSS subscriptions and sustained payments through VSLAs as platforms.
- X. Expanding the existing CARE's Agents Network to cover all 14,837 villages as a community development advisory, catalyst, and support structure.

1.3 Project Geographical Coverage, Delivery Model and Stakeholders engagement

The project was delivered by CARE International through its tested village agents network⁴ model in close collaboration with the Ministry of Finance and Economic Planning (MINECOFIN) and local government structures from the district to the village level. Both CARE and MINECOFIN assigned technical staff to work together to deliver on the project during its entire period. RSSB/EjoHeza teams at national and district levels have also collaboratively supported the implementation of the project, mainly on the EjoHeza related components.

CFIGR project was implemented in 30 districts of Rwanda, 416 sectors, 2,148 cells and 14,837 villages.

From 15th October 2019, CARE Rwanda deployed its staff in different districts to introduce the project to the district leaders in all 30 districts. This followed an introductory letter that was sent by RSSB (through MINALOC) to all district mayors, introducing the MINECOFIN/CARE partnership project; requesting for their full support in the implementation of the project. In general, all district officials

⁴ Formerly known as Village Agents, the VAN is established as a community development advisory network to play a key role in community mobilization and capacity building for socio-economic transformation. In the framework of this project, the main focus will be to closing the financial inclusion gap (mapping out Rwandans who are financially excluded, grouping them into VSLAs, training them on financial education, facilitating their access to and use of formal financial services, ...), train them on business development services and promoting the Long-term saving scheme. However, the structure has a great potential to support social protection programs and/or provide intermediary services to different private sector entities such as financial service providers, they can act as active players across different value chains and inclusive market systems, etc

manifested their high expectation from CARE's models in collaboration with MINECOFIN to advance both financial inclusion and LTSS/EjoHeza promotion in their respective communities. In districts where CARE has been operating, they have all appreciated CARE's transformational approaches and welcomed the opportunity to scale up them to reach more Rwandans. In new districts where CARE had not operated before, they have also welcomed CARE as a reliable partner in closing the financial inclusion gap and sustainably promote LTSS/EJO HEZA.

After these introductory meetings, all district leaders provided their full support to CARE and MINECOFIN for a successful implementation of the project.

As part of the project's implementation, a strong collaboration between CARE, MINECOFIN and EjoHeza teams both at national and local levels was a key success factor for the project. Every step, every activity planning and execution involved all the team members. This new way of working together also increased ownership and support by the district leaders. It is also good to highlight

our great appreciation to the district and sector leaders for their very quick ownership and support of the project implementation. This was mainly demonstrated through their availability during different events, availability of the government premises (meeting/training rooms) to accommodate the project events, their support during the selection of community development advisors through community meetings (inteko z'abaturatione) and the continued support accorded to village agents during the implementation of the project. The small project team allocated by MINECOFIN and CARE (2 direct full time staff from each institution) could not have achieved a lot without the tremendous support by local government leaders and EjoHeza coordinators.

2. Project Implementation Process

2.1 Establishment and Capacity Building for the Village Agents Network



Village agents receive certificates after training

Launched in Rwanda in 2000; CARE's VSLAs program is implemented by Village Agents selected from the communities each one being a member of a VSLA. The village agents are organized in a District network in the name of Village Agent

Network/VAN governed by a structure with a management committee at sector and at district levels to monitor and support VA performance in VSLA creation and trainings guided by VSLA methodology and financial inclusion training modules.

For an effective implementation of CFIGR project, CARE Rwanda and the Ministry of Finance and Economic Planning (MINECOFIN) decided to expand the existing Village Agents network of 1, 635 Agents to reach every village of Rwanda and have 14,837 Village Agents (1 per village) so that they can support in closing the 11% financial inclusion gap and sustainably promote the Long term Savings Scheme also known as EJO HEZA program that aims at providing to each Rwandan (including self-employed non-salaried workers, as well as public and private sector salaried employees) an equal right and opportunity to achieve a financially secure and dignified retirement in a safe, affordable, convenient and well regulated environment.

Identification, selection, and training of Village agents were the project start-up activities completed by March 2020.

Box 1: Village Agent Model

CARE Rwanda uses the Village Agent model to create and support VSLAs. Each village agent/VA operates in its village and with the main role of identification and organization in saving groups; training and supervision of saving groups application and facilitate saving groups access and use of formal financial services. To effectively play the above role, VAs have to undergo a training as trainers by CARE's facilitators on VSLA methodology and LTSS integrated training module.

2.1.1 Selection of new Village Agents:

CARE Rwanda and MINECOFIN teams worked together to develop the **agents' selection tool** with criteria that were used to select agents from all villages of Rwanda through community meetings (inteko z'abaturatione).

Identification and selection of VAs were guided by following criteria and was done in village councils/ communities 'meeting.



VSLAs members electing Village Agents

To have a list of selected agents, tools with names and profiles of selected agents were collected back by CARE for data entry in order to constitute the agents' database.

The selection was done in all the 14,837 Agents in all villages of Rwanda. However, during their trainings, it was noticed that some agents had not been selected as per the pre-set criteria whereby we found some village leaders who had reported themselves as agents instead of facilitating citizens to elect the right agents. These were sent back for re-election, an activity that was paired with the mapping exercise. A detailed Agents database (identification, contacts and location) is found on the annex 4 of this report.

Box 2: Agents selection Criteria:

- Proven Integrity in the community
- Experience and Capacity to transfer knowledge to others
- To be available for the task accomplishment
- Having completed at least P6
- Experienced in community mobilization
- Being a well performing existing Village Agent for VSLAs -
- Being already a community mobilizer fulfilling the requirement
- Being a member of a mature VSLAs for at least one 1 year.

2.1.2 Establishment of VAN management committees and Selection of 416 Master trainers.



Selection of VAN committee members and master trainers

To ensure sustainability, CARE and MINECOFIN technical teams supported the trained agents to put in place their management committees at sector and district level. These committees manage and coordinate all agents' activities in the community,

including program's quality assurance at local level. They organize regular meetings (monthly at the sector level and quarterly at the district level) to assess their performance, progress against their targets and discuss any challenge faced. Local government leaders may be invited to share their insights and/or address some issues if any. As mentioned above, the agents network could only be sustained if members get just-in-time support that does not necessarily rely on CARE or MINECOFIN but rather from the structure itself (internal resource) and local government officials that have financial inclusion in their responsibilities. Introducing the Master trainers (one per sector) structure was in that spirit to have internal resources that could support in addressing some issues that do not need sophisticated competencies. The 416 Master trainers provide technical support to their fellow agents, ensure the quality of the models and act as persons-to-go to when it comes to LTSS support in the system and reporting at the community level. CARE and MINECOFIN worked together to build the capacity of the agents' network and their management committees to ensure an effective coordination and delivery of the project and linked them to local government structures for support.

2.1.3 Capacity Building for the Village Agents

After the selection of community development advisors/agents, CARE and MINECOFIN technical teams organized their trainings across the country. The objective of the training was to equip them with the necessary competencies (knowledge, skills and attitudes) required to fulfil their roles. Trainings focused on the integrated financial literacy - EjoHeza curriculum, identification of financially excluded citizens, formation and management of VSLAs as well as EjoHeza scheme engagement cycle. They were also trained on their roles as community development advisors. As discussed during different CARE-MINECOFIN joint technical meetings, the initial training approach whereby only ToTs had to be offered was adjusted to training all agents (for at least the initial training) to ensure a complete transfer of knowledge and effectiveness in their daily work.

All agents were directly trained by CARE and MINECOFIN teams as opposed to training by 416 sector master trainers who'd in their turn train 14,421 others. Reasons for adjusting the approach of the initial training included the fact that the training manual was quite new (integrating EjoHeza as a new concept) and majority of agents (above 90%) were also new, thus creating many training layers would have diluted the quality. Another reason was that these trainings involved too much logistics that couldn't be handled by community-based trainers. These logistics included distribution of training materials and mapping tools in all 14,837 villages, recording the lists of participants and paying their transportation fees. Also, gathering these agents in their respective training sites was an opportunity to establish their management

Box 3: Challenges faced during the initial training of agents:

- Some training sites were very hard to reach and the movement of both facilitators and trainees was not easy. To address this, more training sites were created to allow so that facilitators train agents in/close to their respective sectors
- Trainings involved too much logistics to be managed by small project teams. These included but not limited to the arrangement and distribution of training materials, securing training venues, inviting all 14,837 agents, printing out and distribution of the mapping tools, confirmation of participants lists, ensuring that every participant has a mobile money account, processing payments of transportation fees using Mobile money, addressing all payments related complaints (especially in areas where CARE had not been operating). During these intensive trainings, CARE mobilized the rest of the country office staff to support the project. Also, some temporary staff were occasionally brought on board to support on different logistics related activities
- Some agents had an understanding that they had been only selected as EjoHeza agents only- changing their perceptions to broaden their scope of work was not easy. CARE and MINECOFIN teams had several discussions with EjoHeza team to deal with this challenge.

structures (committees) which could not be effectively managed by the peer agents.

Changing the approach informed an adjustment/realignment of the budget, but still within the limits of the total approved budget. Trainings were organized into 143 Training Sites in all 30 districts from 10th February to 10th March 2020 to minimize the costs for transportation, ensure effectiveness and quality with a relatively manageable number of trainees per site depending on the facilities and number of trainers (generally 2 per site). The training workshop was also the opportunity to renew and or set up the VAs management committees at the district and sector levels⁵. According to the report of VAs selection sheets from the villages communities' meetings; VAs selected from all villages of Rwanda were grouped into classes of maximum 50 people to organize their trainings by trained 36 Training Facilitators together with 24 VAs from existing VANs managements committees. Note that existing 1,635 VAs were also subject to selection in their respective villages and were prioritized before the selection of one new VA for the village. Participants in the initial trainings were 12,841 in total and the remaining 1,996 were absent or sent back due to different reasons including those that had been selected without following the guidelines. These were replaced trained by elected Master Trainers and the VAN sector management committees after the arrangement of their selection process.

2.1.4 Training of agents on EjoHeza

Building on the effectiveness of VSLA model, EJO HEZA engagement messages have been integrated in the VSLA methodology training module to become one of the VSLA operations products (in addition to savings and credit for investment, health insurance and social fund) as a sustainability measure for the scheme. The training modules were distributed for each participant from all villages.

⁵ The VAN is coordinated by a committee of 5 people at district level and 4 people at sector level, including the master Trainer who is also in charge of Capacity building and EjoHeza at sector level. The committees are established in all 30 districts and 416 sectors.

CARE and MINECOFIN teams together with EjoHeza District Coordinators worked together to offer trainings and appreciated the engagement, ownership and support accorded by district leaders before, during and after these trainings. All trainings were conducted in the government premises (sector and district conference rooms) and the insights shared by different leaders stimulated the motivation of trainees to act as development catalysts and EjoHeza mobilizers in their respective villages. At a later stage, under a different funding arrangement, these EjoHeza engagement messages were digitalized and loaded into 416 tablets to be used by master trainers to support mobilization and registration of EjoHeza clients using digital platforms. The 416 master trainers were also trained on the use of digital materials and tablets to advance EjoHeza in their respective communities.



2.1.5 Training of VAN Management Committees and Master Trainers on Financial Literacy and Formal Financial Linkages

To advance the formal financial inclusion, CARE and MINECOFIN trained 832 VAN leaders and Master Trainers from all sectors (2 from each sector) to serve as trainers of their peer agents on training their supported VSLAs on Financial Literacy and how they can have access to and use formal financial services from financial service providers. District leaders, mainly in charge of access to finance participated in these trainings to ensure a continued support and sustainability of linkages between VSLAs and FSPs.



2.2 Mapping/Selection of Project Participants

As per the Fin-Scope Report 2016, there are 11% Rwandans who are totally financially excluded. The report provides percentages of financial exclusion per districts, ranging from 3% to 22%. However, the challenge has been always to know who is excluded. During the reporting period, the project's focus has been to explore possibilities that could help to know who exactly (by name and location) is financially excluded. CARE and MINECOFIN developed the concept note for the Mapping exercise, including the **mapping tool** and approach to identify Rwandans who are financially excluded. 832 Master Trainers and sector VAN presidents from 416 sectors of 30 districts were trained on how to map out the financially excluded in their respective sector. Mapping tools were printed out and distributed to all agents in 14,837 villages. The second phase was to support the 832 Agents to roll out the orientation to other village agents who in turn collect data to identify the financially excluded citizens from their respective villages.

To facilitate the exercise, and, from a project's implementation perspective, CARE got data from MINECOFIN on LODA's profiling of former categories 1&2 of poverty ranking (ibyiciro by'ubudehe) to consider as a starting point in the process of mapping the financially excluded citizens. The list had above 2.1M Rwandans who reported to be financially excluded. MINECOFIN and CARE agreed to conduct a quick pilot to test the mapping tool and approach that were developed by both teams before the rollout to identify the financially excluded citizens in all villages of the country.

2.2.1 Pilot of the Mapping tool and approach:

The pilot was designed to target 55,660 members of 24,708 households from 344 villages of 4 sectors (Cyabakamyi, Muyira, Busasamana and Rwabicuma) and 5 sectors (Kivumu, Gihango, Mukura, Ruhango and Rusebeya) sampled from Nyanza and Rutsiro Districts respectively. The pilot was conducted from February 26th to March 31st, 2020 as per the related Concept note that was jointly

agreed upon. However, due to covid-19 guidelines that restricted movement of people, some agents could not complete the data collection. 40,399 HH members of whom 35, 247 HH members (19,816 women and 15,431 men) had complete data for analysis. CARE and MINECOFIN agreed to proceed with the analysis of those data that were found to be complete. Findings from the pilot revealed that some information had been changed from LODA profiled data since the exercise was conducted whereby 38.7% of those that had been reported as financially excluded were found already included. Also, agents found other citizens who were excluded and had not been profiled while 3% had moved from their respective villages- the project provided an annex tool to capture data from other people who had not been reached by LODA during the profiling but were found to be financially excluded. Data from the pilot were also analyzed to understand data behaviors across different districts and sectors. The same approach was replicated to the countrywide mapping exercise roll out.

2.2.2 Countrywide Mapping Roll out

While analyzing the findings from the pilot, CARE and MINECOFIN team adjusted the mapping tool and agreed that agents could not entirely rely on LODA profiling data to create VSLAs as some HH members had already been financially included. However, it was recommended that these data could ease the mapping exercise in all villages but agents should not be limited to the pre-established lists as the objective is to identify every Rwandan who is not financially included. The lists were arranged by village, cell, sector and district and distributed to agents in all villages as a basis for mapping out the financially excluded. A blank tool was also added to the lists so that Agents record data on financially excluded citizens who are not on the initial lists. The revised tool also had additional indicators to gather information on livelihood conditions i.e saving capacity, source of income, amount of monthly income, etc of the financially excluded

2.2.2.1 Orientation of Master Trainers and VAN presidents on the mapping tool in all 30 districts

An orientation session was organized to 832 Master Trainers and VAN sector presidents from all districts, facilitated by both CARE and MINECOFIN with support of EjoHeza District coordinators. The events were attended by district leaders to share insights with community development advisors' representatives on what different stakeholders expect from them, the values they should embody and the expected transformation of people's lives. During these orientation sessions, Master trainers and VAN committees developed road maps to support the mapping exercise.



Challenges faced during these sessions included delays in getting tools printed out by the printing house, mainly since the activity was too intensive, catching up with delays caused by covid-19 lockdown to get sufficient time. In some districts, few villages could miss their tools. CARE continued to handle the issue to ensure that the mapping exercise is conducted in all villages with a high level of diligence.

During the orientation of agents, some village lists/tools were found missing from the sector files. CARE deployed a support staff to immediately work with the printing house to print out the missing files and send them to the agents.

2.2.2.2 Monitoring the orientation of agents and Mapping the financially excluded in their respective villages

The orientation of Master Trainers and VAN committees was followed by the roll out of trainings to their peer agents at the sector level so that they master how to use the tool. The challenge here was to get enough time and people to supervise the orientation sessions in as many sectors as possible. Staff phone numbers were given to agents so that once they get a challenge while filling out the tools, they may get supported remotely. Both CARE and MINECOFIN teams conducted the support supervision during data collection. Once tools were well filled, every sector collected them back to

the Master Trainers and one sector representative (VAN president or Master Trainer) took them back to the district where CARE collected them for data entry as per their respective road maps.

During the support supervision on the field and the remote support of agents, agents requested for an incentive to support their transportation during the mapping exercise. As the project budget was too limited to pay incentives to all 14,837 agents for data collection, it was rather agreed to facilitate transportation for 832 master trainers and VAN management presidents, 2 per sector), consequently, some agents were not motivated to collect data on a volunteering basis. This required the project team to re-emphasize those incentives would be paid on a performance basis for the VSLAs that will be created based on identified financially excluded.

2.2.3 Findings from the Mapping

2.2.3.1 Levels of financial exclusion in districts

The criteria of establishing their financial exclusion status was based on the people who met the conditions of (1) not owning any bank account required for saving, never saving any money, saving at home or with neighbors; (2) not belonging to any existing supported saving groups and (3) not having Mobile money and airtel money accounts. In total of 2,284,504 mapped household members in 30 districts, in 414 sectors, 2088 cells and 13,077 villages. After analyzing the mapping data, 745,459 household members (52% women) were found to be totally financially excluded. The table below indicate the information about the people who are financially excluded from each district by age.

Table 1: Level of Financial Exclusion per age per District

District	Youth 16-30 years	Adult Above 30 years	Not stated their age	Total	Youth	Adult	Not stated their age
1. NYARUGENGE	2,112	2,285	290	4,687	45.1	48.8	6.2
2. GASABO	7,265	6,741	547	14,553	49.9	46.3	3.8
3. KICUKIRO	2,268	1,316	62	3,646	62.2	36.1	1.7
4. NYANZA	10,446	8,927	422	19,795	52.8	45.1	2.1
5. GISAGARA	17,772	14,330	370	32,472	54.7	44.1	1.1
6. NYARUGURU	23,282	14,485	555	38,322	60.8	37.8	1.4
7. HUYE	9,469	7,945	180	17,594	53.8	45.2	1.0
8. NYAMAGABE	12,922	9,147	671	22,740	56.8	40.2	3.0
9. RUHANGO	18,447	15,088	599	34,134	54.0	44.2	1.8
10. MUHANGA	8,041	8,140	149	16,330	49.2	49.8	0.9
11. KAMONYI	14,120	12,210	413	26,743	52.8	45.7	1.5
12. KARONGI	13,354	13,975	1,202	28,531	46.8	49.0	4.2
13. RUTSIRO	16,233	15,614	464	32,311	50.2	48.3	1.4
14. RUBAVU	12,053	10,819	296	23,168	52.0	46.7	1.3
15. NYABIHU	13,941	10,503	182	24,626	56.6	42.7	0.7
16. NGORORERO	12,553	12,007	353	24,913	50.4	48.2	1.4
17. RUSIZI	21,681	22,113	528	44,322	48.9	49.9	1.2
18. NYAMASHEKE	23,789	20,837	812	45,438	52.4	45.9	1.8
19. RULINDO	9,005	8,168	100	17,273	52.1	47.3	0.6
20. GAKENKE	8,120	7,319	56	15,495	52.4	47.2	0.4
21. MUSANZE	10,754	10,499	312	21,565	49.9	48.7	1.4
22. BURERA	15,298	12,735	327	28,360	53.9	44.9	1.2
23. GICUMBI	18,696	12,963	1,553	33,212	56.3	39.0	4.7
24. RWAMAGANA	5,750	5,227	41	11,018	52.2	47.4	0.4
25. NYAGATARE	21,845	18,206	622	40,673	53.7	44.8	1.5
26. GATSIBO	16,786	14,942	489	32,217	52.1	46.4	1.5

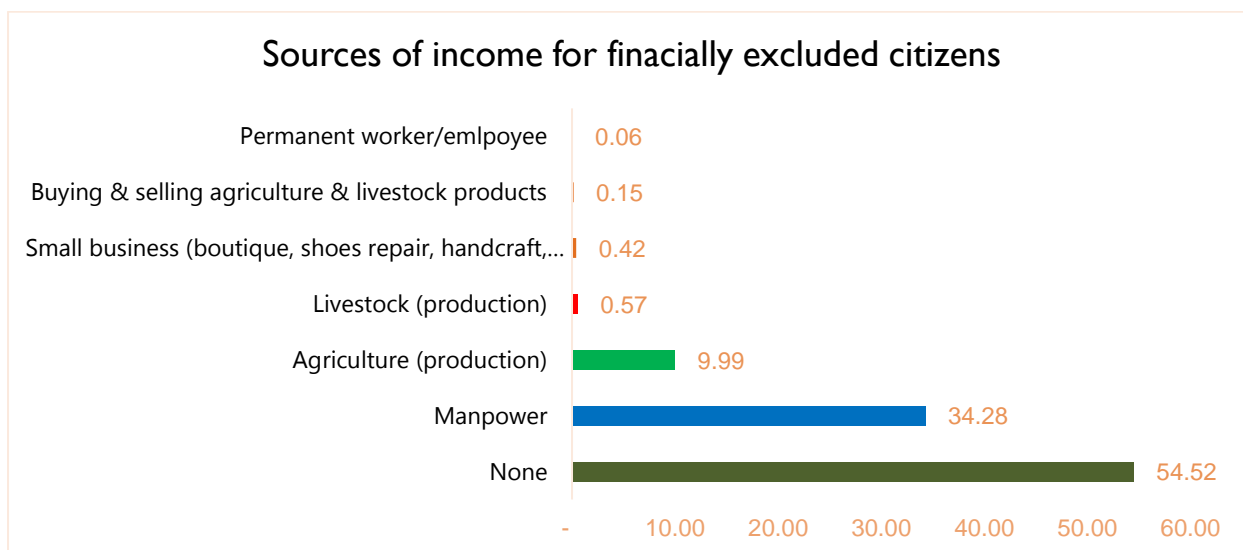
27. KAYONZA	8,680	6,888	227	15,795	55.0	43.6	1.4
28. KIREHE	12,705	11,712	650	25,067	50.7	46.7	2.6
29. NGOMA	12,763	10,838	299	23,900	53.4	45.3	1.3
30. BUGESERA	14,544	11,507	508	26,559	54.8	43.3	1.9
TOTAL	394,694	337,486	13,279	745,459			

2.2.3.2 Livelihood conditions of the financially excluded citizens

During the mapping exercise, data were collected and analyzed to understand the livelihood conditions of citizens who were targeted by the project. The following are some information on selected variables:

- Income generating activities – source of household income**

The results in the figure 2 below indicate that 54.4% of the household members who were financially excluded do not have any income generating activity (IGA) followed by 34.2% who get income from selling their labor, 9.9 % employed in agriculture close to 0% of households’ members who reported permanent employment as source of income. The following chart shows details.



(Source: CFIGR Mapping Report, 2020).

Responding to the question on the monthly income amount, 68% of household members who are financially excluded reported not earning any income (zero Franc per month), 28.5% reported they earned less than 5,000 Frw per month, 2.6% reported that they earned between 5,000 -10,000 Frw per month. Close to zero percent of the household members who were financially excluded reported

the income earnings of above 10,000 Frw per month. The following table shows monthly income earning capacities per district.

Table 2: Monthly income earnings by the households’ members who are financially excluded by province and by District

Cluster type		Percentage							
Province	District	Zero franc	Less than 5,000 F	Between 5,000 and 10,000F	Between 10,000 and 15,000F	Between 15,000 and 25,000F	Between 25,000 and 35,000F	Between 35,000 and 50,000F	More than 50,000F

Closing the Financial Inclusion Gap in Rwanda

Kigali	NYARUGENGE	79.2	14.8	3.5	1.6	0.4	0.5	0.0	0.0
Kigali	GASABO	76.1	18.4	4.1	0.9	0.3	0.2	0.0	0.0
Kigali	KICUKIRO	86.8	6.4	3.4	1.4	1.4	0.4	0.1	0.1
South	NYANZA	66.2	30.0	2.8	0.6	0.2	0.1	0.0	0.0
South	GISAGARA	65.1	31.8	1.4	1.4	0.1	0.2	0.0	0.0
South	NYARUGURU	78.5	18.9	1.8	0.5	0.1	0.1	0.0	0.0
South	HUYE	71.3	25.6	2.4	0.4	0.1	0.1	0.0	0.0
South	NYAMAGABE	62.6	31.2	3.7	0.5	0.1	0.2	0.0	0.0
South	RUHANGO	75.5	21.7	2.1	0.4	0.1	0.1	0.0	0.0
South	MUHANGA	57.3	39.9	2.2	0.4	0.1	0.1	0.0	0.0
South	KAMONYI	63.3	32.9	3.2	0.4	0.1	0.1	0.0	0.0
West	KARONGI	65.2	30.8	2.9	0.7	0.2	0.1	0.0	0.0
West	RUTSIRO	56.7	38.2	4.1	0.6	0.1	0.1	0.0	0.0
West	RUBAVU	65.9	28.8	3.9	1.0	0.3	0.1	0.0	0.0
West	NYABIHU	62.2	34.1	2.7	0.7	0.1	0.1	0.0	0.0
West	NGORORERO	66.3	31.2	2.1	0.2	0.0	0.1	0.0	0.0
West	RUSIZI	68.1	27.8	2.9	0.8	0.1	0.2	0.0	0.0
West	NYAMASHEKE	77.2	19.8	2.4	0.4	0.1	0.0	0.0	0.0
North	RULINDO	68.6	25.0	4.1	0.9	0.3	1.2	0.0	0.0
North	GAKENKE	50.3	46.9	2.2	0.2	0.1	0.1	0.0	0.0
North	MUSANZE	63.0	34.3	2.2	0.2	0.0	0.2	0.0	0.0
North	BURERA	62.3	35.1	1.9	0.3	0.1	0.1	0.0	0.0
North	GICUMBI	70.4	26.9	2.1	0.5	0.1	0.1	0.0	0.0
East	RWAMAGANA	67.4	28.2	3.2	0.6	0.2	0.3	0.0	0.0
East	NYAGATARE	72.1	24.5	2.1	0.5	0.1	0.1	0.0	0.0
East	GATSIBO	67.0	29.2	2.6	0.7	0.1	0.2	0.0	0.0
East	KAYONZA	65.4	31.6	2.0	0.5	0.2	0.2	0.0	0.0
East	KIREHE	68.9	27.1	1.9	0.9	0.7	0.1	0.3	0.0
East	NGOMA	68.0	28.8	2.5	0.4	0.1	0.1	0.0	0.0
East	BUGESERA	74.0	23.3	2.2	0.3	0.1	0.1	0.0	0.0
Total		68.0	28.5	2.6	0.4	0.1	0.1	0.0	0.0

(Source: CFIGR Mapping Report, 2020).

- **Access to financial services, saving culture and capacity**

As indicated above, all 745,459 household members who were financially excluded reported at 100% that they had no bank account and could not make savings via any other mechanism, including through supported saving groups or Mobile money platforms. General findings from all HH members that were reached out to, indicate that 44.5% never save from their earnings. 14.6% reported they save money in community saving groups, 11.4% save their money at home or neighbors, and 10.0% save the money in Mobile money (Airtel, MTN). The only 7.4% use tontines (Ibimina) and 1.9% use commercial banks and MFIs. The table below shows that most household members, 48.8% who responded to the question are not able to make any monthly savings (zero franc), 42.6% of household members saved less than 5000 per month and 5.6% saved between 5000 Frw – 10,000 Frw per month. Less than 1% saved above 10,000 Frw per month.

Table 3: Saving Capacity (monthly saving amount) among the targeted Household Members

Monthly savings amount	Count	Percent
Zero franc	923,013	48.88
Less than 5,000F	804,483	42.60
Between 5,000 and 10,000F	106,481	5.64
Less than 10,000F	17,492	0.93
Between 10,000 and 15,000F	17,022	0.90
Between 15,000 and 25,000F	10,863	0.58
Between 25,000 and 35,000F	5,661	0.30

Closing the Financial Inclusion Gap in Rwanda

Between 35,000 and 50,000F	1,865	0.10
More than 50,000F	1,481	0.08
Total	1,888,361	100.00

(Source: CFIGR Mapping Report, 2020).

All the above-mentioned findings (and others in detailed mapping report) highlight that the financially excluded citizens have poor livelihoods, hence the need to empower them with necessary skills and resources to improve their lives.

Box 4: Snapshot on Livelihood conditions of the financially excluded citizens before joining CFIGR project.

- **Occupation and Income:** 54.4% of the household members who were financially excluded do not have any job or activities generating income. 34.2% of household members financially excluded were manpower to generate income, 9.9 % are employed in the agriculture as a source of generating income; Other Jobs and activities in the figure 2 are close to 0% of households' members who reported to have income generating activities.
- **The monthly income:** 68.0% of household Members who are financially excluded reported did not earn any amount (zero Franc per month), 28.5% reported they earned less than 5,000 Frw per month, 2.6% reported that they earned between 5,000 -10,000 Frw per month. 0.01% percent of the household members who were financially excluded reported the income earnings of above 10,000 Frw per month.
- **Access to financial services:** As per the definition, all 745,459 household members who were financially excluded reported a 100% that they had no bank account and could not make savings via any other mechanism, including through supported saving groups or Mobile money platforms.
- **Saving culture and capacity:** Findings from all 2.2M HH members that were reached out to, indicate that 44.5% never save from their earnings. 14.6% reported that they save money in community saving groups, 11.4% reported saving their money at home or neighbors, and 10.0% save the money in Mobile money (Airtel, MTN). The only 7.4% use tontines (Ibimina) and 1.9% use commercial banks and MFIs. Findings show that most household members, 48.8% of financially excluded are not able to make any monthly savings, 42.6% of household members saved less than 5,000 per month and 5.6% saved between 5000 Frw – 10,000 Frw per month. Less than 1% saved above 10,000 Frw per month.

2.3 Closing The financial Inclusion Gap – Organizing the Financially Excluded into VSLAs

Following the identification of the financially excluded citizens across the country, villages agents were identified and trained to support bring financially excluded citizens into VSLAs and train them on financial education, financial literacy so that they acquire the saving culture and invest in small income generating activities to improve their livelihood conditions.



Since the beginning of the project, Data collected from all districts shows that the project has so far created 17,088 new VSLAs bringing together 440,036 citizens who were financially excluded (311,630 women representing 71%). These new VSLA members represent 63% of the project target of reaching 700,000 financially excluded citizens. As of end March 2022; these VSLAs created by CFIGR project have been able to put together

8,156,171,773 Frw total savings and used 4,974,332,340 FRW as total cumulative loans to invest in

different income generating activities as well accumulate assets at the household level.⁶

The following table shows detailed data from CARE's MIS on the creation of new VSLAs and their performance in all 30 districts:

Table 4: Number of new VSLAs created by CFIGR and their performance in each district

Province	District	Total number of VSLAs (newly created)	Total number of members	VSLA women members		Total Cummulative savings	Total loans
				Count	%		
Eastern	Bugesera	338	8,952	6,602	74%	178,525,020	152,487,931
	Gatsibo	636	16,320	11,027	68%	255,200,235	192,494,383
	Kayonza	255	6,608	4,931	75%	111,488,980	75,818,660
	Kirehe	686	19,039	13,397	70%	360,691,411	360,510,399
	Ngoma	330	8,941	6,584	74%	184,625,500	169,681,000
	Nyagatare	488	13,674	9,685	71%	311,292,155	332,111,691
	Rwamagana	337	9,285	7,270	78%	2,302,311,770	134,297,460
	S/total	3,070	82,819	59,496	72%	3,704,135,071	1,417,401,524
Western	Karongi	517	11,994	7,236	60%	118,875,801	101,495,804
	Ngororero	351	9,227	6,482	70%	108,010,425	99,521,919
	Nyabihu	461	12,077	9,110	75%	100,801,395	96,405,125
	Nyamasheke	1,421	33,963	24,530	72%	316,190,477	279,784,521
	Rubavu	281	7,261	5,082	70%	107,987,291	97,292,137
	Rusizi	1,480	34,137	24,385	71%	421,097,357	282,228,724
	Rutsiro	1,045	26,210	16,730	64%	123,142,875	82,940,064
	S/total	5,556	134,869	93,555	69%	1,296,105,621	1,039,668,294
Southern	Gisagara	857	23,124	16,020	69%	302,789,480	237,644,578
	Huye	295	6,871	5,058	74%	102,917,700	60,954,070
	Kamonyi	566	15,585	11,968	77%	139,469,270	112,325,400
	Muhanga	504	13,610	10,442	77%	144,230,860	107,382,550
	Nyamagabe	1,088	25,600	17,629	69%	272,412,337	254,829,683
	Nyanza	547	14,599	9,981	68%	231,888,696	190,726,326

⁶ MIS Data, April 30, 2022

Closing the Financial Inclusion Gap in Rwanda

	Nyaruguru	544	13,523	9,911	73%	181,584,647	180,832,300
	Ruhango	202	5,703	4,159	73%	156,788,771	132,562,470
	S/total	4,603	118,615	85,168	72%	1,532,081,761	1,277,257,377
Northern	Burera	1,043	27,894	18,356	66%	410,528,506	382,140,929
	Gakenke	613	16,461	10,714	65%	240,353,040	245,960,699
	Gicumbi	619	16,523	11,833	72%	268,178,585	236,554,069
	Musanze	373	10,129	7,392	73%	120,662,315	98,247,540
	Rulindo	564	15,767	12,016	76%	216,458,219	121,573,716
	S/total	3,212	86,774	60,311	70%	1,256,180,665	1,084,476,953
Kigali City	Gasabo	108	2,729	2,081	76%	39,622,000	18,556,708
	Kicukiro	169	4,450	3,541	80%	104,091,074	48,996,564
	Nyarugenge	370	9,780	7,478	76%	223,955,581	87,974,920
	S/total	647	16,959	13,100	77%	367,668,655	155,528,192
Total	17,088	440,036	311,630	71%	8,156,171,773	4,974,332,340	

Source: CARE Rwanda MIS, April 30, 2022.

From the analysis of the data, the entire financial inclusion gap is not yet closed in all districts as per the objective of the project. To ensure the continuity of the closure of the financial inclusion gap, CARE Rwanda conducted progress review meeting with the local government officials in charge of financial services both at district and sector levels, together with the Village agents network leadership to jointly develop a VSLA creation continuity plan based on the status with reference to data from the financially excluded mapping report. The following table shows the remaining gap from each district:

Table 5: level of financial inclusion in comparison with the number of financially excluded per District

Province	District	Excluded	Included - April 22	% included - Jan 2022	Variance	Estimated number of remaining VSLAs
Eastern	Bugesera	26,559	8,952	34%	17,607	652
	Gatsibo	26,559	16,320	61%	10,239	379
	Kayonza	15,795	6,608	42%	9,187	340
	Kirehe	25,067	19,039	76%	6,028	223
	Ngoma	23,900	8,941	37%	14,959	554
	Nyagatare	40,673	13,674	34%	26,999	1,000
	Rwamagana	11,018	8,473	77%	2,545	94
	S/total	169,571	82,007	48%	87,564	3,243
Western	Karongi	28,531	11,994	42%	16,537	612
	Ngororero	24,913	9,227	37%	15,686	581
	Nyabihu	24,626	12,077	49%	12,549	465
	Nyamasheke	45,438	33,963	75%	11,475	425
	Rubavu	23,168	7,261	31%	15,907	589
	Rusizi	44,322	34,137	77%	10,185	377
	Rutsiro	32,311	26,210	81%	6,101	226

Closing the Financial Inclusion Gap in Rwanda

Southern	S/total	223,309	134,869	60%	88,440	3,276
	Gisagara	32,472	23,124	71%	9,348	346
	Huye	17,594	6,871	39%	10,723	397
	Kamonyi	26,743	15,585	58%	11,158	413
	Muhanga	16,330	13,610	83%	2,720	101
	Nyamagabe	22,740	25,600	113%	- 2,860	- 106
	Nyanza	19,788	14,599	74%	5,189	192
	Nyaruguru	38,314	13,523	35%	24,791	918
	Ruhango	34,128	5,703	17%	28,425	1,053
Northern	S/total	208,109	118,615	57%	89,494	3,315
	Burera	28,358	27,894	98%	464	17
	Gakenke	16,182	16,461	102%	- 279	- 10
	Gicumbi	33,208	16,523	50%	16,685	618
	Musanze	21,565	10,129	47%	11,436	424
	Rulindo	17,272	11,436	66%	5,836	216
Kigali City	S/total	116,585	82,443	71%	34,142	1,265
	Gasabo	14,552	2,729	19%	11,823	438
	Kicukiro	3,646	4,450	122%	- 804	- 30
	Nyarugenge	9,687	9,780	101%	- 93	- 3
	S/total	27,885	16,959	61%	10,926	405
	Total	745,459	440,036	59%	305,423	11,502

Source: CARE Rwanda MIS, April 30, 2022.

Key challenges that have contributed to not completing the creation of all VSLAs:

While monitoring the creation of VSLAs, the following challenges in relation to the progress towards closing the financial inclusion gap in different districts were noted:

- **Identification of VAs:** during the identification of agents in villages, some cell/village leaders did not follow guidelines as they have been shared by CARE and MINECOFIN. An example is where some village leaders were selected to serve as village agents expecting the function to be paying while the criteria was clear that this was a voluntary work and selected VAs should have enough time to carry out their roles. These were later on found to be multi-tasked which affected their motivation and performance. This also increased the dropout rate among the agents.
- **COVID 19 pandemic:** covid-19 partial and total lockdown periods affected the implementation of the project in general, and VSLA creation in particular. The prolonged absence of the project staff on the field reduced the time to provide support and supervision to both the VAN and project participants. In close collaboration with MINECOFIN, adaptation and catch up plans had been put in place and implemented to speed up the implementation and catch up with experienced delays.
- **High dropout rates of VAs** (between 5 and 10% on average in all districts) delayed the creation of VSLAs – the project team supported VAN leaders and local leaders to replace those who dropout.
- **Limited collaboration between village agents and local government authorities** in charge of financial services on the creation of VSLAs- local authorities tend to focus more on EjoHeza;

VSLA MIS Data collection: The process to gather information on new VSLA creation took longer and some reports delayed reaching the project team, mainly because either some agents had dropout and needed to be replaced or some VAN leaders could not timely gather the reports from village to district levels. A solution, CARE made follow ups with agents where issues were observed and worked with local leaders to replace agents who had dropped out so that bottlenecks are removed from the reporting process. This solution helped the project team to gather all data on created VSLAs from all villages to inform the final project report.

Strategy for VSLA creation continuity:

- To address the above-mentioned challenges in a more sustainable manner, the project team organized a meeting bringing together the VAN coordinators and sector officials in charge of financial services so that they develop a joint plan on how to continue organize the financially excluded into VSLAs. VSLA creation continuity plans were developed using tools that CARE provided. It is expected that beyond the closure of the project, sector officers will be joining the VAN monthly meetings to review the progress on creation of the remaining groups and take measures on both creation of remaining VSLAs and EjoHeza promotion.

2.4 From Informal to Formal Financial Inclusion -Linking VSLAs to Formal Financial services

In addition to increasing levels of financial education and, in consideration of their livelihood conditions, members of newly created VSLAs especially women, were empowered to capture opportunities, improve their livelihoods, and build resilience through use of formal financial services. The project explicitly moved beyond the access of financial services through VSLAs to empowering both the demand and supply sides on developing and using appropriate formal financial products that meet the varied needs of low-income earners.

In close collaboration with the Ministry and district officials, CARE trained 416 sector VAN leaders and 416 master trainers on financial literacy and formal financial linkages so that they support their peers in preparing, assessing, and linking mature VSLAs to formal financial service providers. The required tools were distributed across all sectors. On the other side, CARE held meeting with its partner financial service providers to discuss on how they could reach out to many VSLA members in their respective areas of operations with either existing or new financial products that are appropriate to this segment.

In addition, CARE Rwanda, through its partnership with AMIR, organized a meeting with all U-SACCOs deans to explore possibilities to formalize the working relationship with these institutions that are closer to citizens. Data show that 604,557 VSLA members, representing 66% of all 1,080,479 VSLA members have access to formal financial services. 369,726 members have graduated to open individual accounts with different financial service providers. In total, 596,160 VSLA members, including 159,843 members of newly created VSLAs moved from informal financial inclusion dimension. This represents 36.3% of the project target on formal financial inclusion. The main reason for not having achieved the target is that most of VSLAs were created in the final year of the project and these require at least one year of existence before they are accessed and linked to formal financial service providers. Under different funding arrangements (other ongoing projects) CARE will

continue engaging partner financial service providers so that they can continue serving the remaining VSLAs. This includes also formalization of linkages with some U-SACCOs that are willing and able to serve VSLAs with appropriate products/services.

The following table shows the performance of CARE’s new VSLAs in terms of access to formal financial services:

Table 6: Access to Formal financial services by newly created VSLAs

Province	District	Total number of VSLAs (newly created)	Total number of members	VSLAs working with financial institutions		Total members of VSLAs accessing formal financial services		Number of members accessing formal financial services (with individual accounts)	
				Count	%	count	%	Count	%
East	Bugesera	338	8,952	88	26%	2,376	27%	2,875	32%
	Gatsibo	636	16,320	240	38%	6,480	40%	5,452	33%
	Kayonza	255	6,608	137	54%	3,699	56%	2,682	41%
	Kirehe	686	19,039	266	39%	7,182	38%	6,915	36%
	Ngoma	330	8,941	110	33%	2,970	33%	1,915	21%
	Nyagatare	488	13,674	84	17%	2,268	17%	3,462	25%
	Rwamagana	337	9,285	198	59%	5,346	59%	4,052	44%
	S/total	3,070	82,819	1,123	36%	30,321	37%	27,353	33%
West	Karongi	517	11,994	56	11%	1,512	13%	3,717	31%
	Ngororero	351	9,227	55	16%	1,485	16%	3,032	33%
	Nyabihu	461	12,077	91	20%	2,457	20%	4,667	39%
	Nyamasheke	1,421	33,963	270	19%	7,290	21%	10,543	31%
	Rubavu	281	7,261	176	63%	4,752	65%	3,769	52%
	Rusizi	1,480	34,137	159	11%	4,293	13%	7,551	22%
	Rutsiro	1,045	26,210	217	21%	5,859	22%	7,803	30%
	S/total	5,556	134,869	1,024	18%	27,648	20%	41,082	30%
South	Gisagara	857	23,124	361	42%	9,747	42%	9,726	42%
	Huye	295	6,871	114	39%	3,078	45%	2,894	42%
	Kamonyi	566	15,585	217	38%	5,859	38%	6,362	41%
	Muhanga	504	13,610	115	23%	3,105	23%	4,369	32%
	Nyamagabe	1,088	25,600	257	24%	6,939	27%	9,243	36%
	Nyanza	547	14,599	157	29%	4,239	29%	4,769	33%
	Nyaruguru	544	13,523	174	32%	4,698	35%	6,087	45%
	Ruhango	202	5,703	113	56%	3,051	53%	2,494	44%
S/total	4,603	118,615	1,508	33%	40,716	34%	45,944	39%	
North	Burera	1,043	27,894	167	16%	4,509	16%	9,959	36%
	Gakenke	613	16,461	192	31%	5,184	31%	7,596	46%
	Gicumbi	619	16,523	435	70%	11,745	71%	8,302	50%
	Musanze	373	10,129	130	35%	3,510	35%	3,597	36%
	Rulindo	564	15,767	360	64%	9,720	62%	8,176	52%
	S/total	3,212	86,774	1,220	40%	34,668	40%	37,630	43%
Kigali	Gasabo	108	2,729	45	42%	1,215	45%	1,283	47%
	Kicukiro	169	4,450	129	76%	3,483	78%	2,111	47%

	Nyarugenge	370	9,780	190	51%	5,130	52%	4,440	45%
	S/total	647	16,959	364	56%	9,828	58%	7,834	46%
	Total	17,088	440,036	5,303	31%	143,181	33%	159,843	36%

Source: CARE Rwanda MIS, April, 2022

It is important to note that both CARE’s VSLA and formal financial linkages models are self-replicable models and sustained by the strong relationship between CARE and Formal financial service providers as well as with the community-based structures such as Village agents’ network (VAN) that plays an intermediary role between service providers and clients beyond any ongoing project. CARE provided trainings and tools to these structures and strengthen the collaboration with local government officials in charge of access to finance to ensure this continuity.

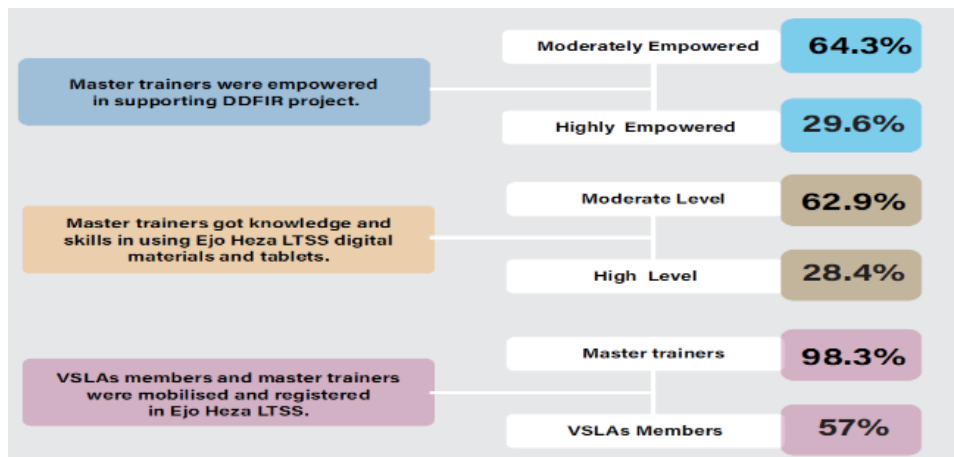
2.5 Promoting EjoHeza through VSLA, a sustainable Platform

As the project promotes livelihoods of program participants, it is critical that they also save for a dignified retirement. To ensure a proper and effective and sustainable enrollment into the scheme by VSLA members, the Long-Term Saving Scheme is now integrated into CARE Rwanda’s financial literacy training Manual as an effective manner for VAs to deliver messages to VSLAs members and make informed choices; subscribe and persistently save through the long term pension scheme.

Also, agents were equipped with 14,837 copies of EjoHeza Financial Education integrated training manual for use by all village agents across the country. EjoHeza-VSLA integration guidelines have been developed and agreed upon by RSSB and MINECOFIN to guide the promotion of the scheme into VSLAs across the country.

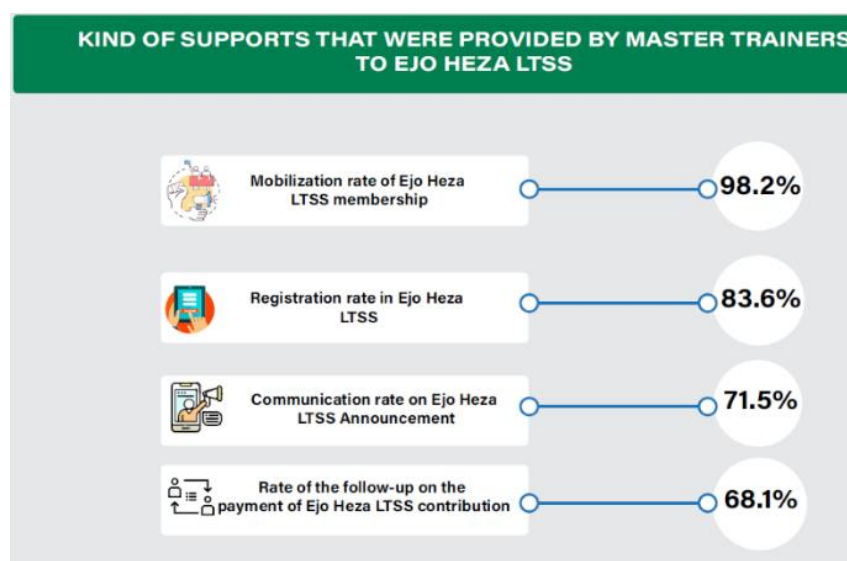


CARE has been actively engaging and collaboratively working with EjoHeza teams both at national and district level to ensure that agents have the right competencies and tools to mobilize VSLAs members to enroll into the scheme.



Additionally, CARE Rwanda secured additional funds from United Nations Capital Development Fund(UNCDF) to digitalize the EjoHeza engagement messages into animated videos and upload them into 416 tablets and train master Trainers on how to use them for mobilization and registration of new enrollees.

Data from CARE’s VSLA performance monitoring systems show that as of end March 2022; around 225,293 VSLA members (225,293 women) registered and 197,151 members (134,640 women representing 68%) are active savers into the EjoHeza scheme. These have been able to pay FRW 1,429,982,010 as contributions. The role played by Master Trainers is remarkable. The



challenge that was observed was that as a new program that is directly linked with the level of financial education, the adoption of EjoHeza scheme requires some time to sensitize Rwandans on its benefits. Specifically, to members of mature VSLAs mobilization is quite easy while it requires a lot of prudence to rush the integration of the scheme into newly created VSLAs. The enrolment rate increased with the maturity and support of VSLAs. CARE, MINECOFIN and RSSB will continue reflecting on possibilities for the continuity and sustainability of the integration of the scheme into the remaining VSLAs beyond CFIGR project timeline.

The following table shows VSLA performance on EjoHeza across all districts:

Table 7: VSLAs performance on EjoHeza integration

Province	District	Total Members Registered in LTSS	#women Registered in LTSS	# Members saving in LTSS	#Women saving in LTSS	Total amount saved in LTSS (FRW)
Eastern	Bugesera	4,687	3,271	4,058	2,903	36,288,183
	Gatsibo	7,813	4,597	6,794	4,012	34,512,225
	Kayanza	3,589	2,422	3,066	2,076	26,413,750
	Kirehe	7,843	4,754	7,256	4,438	78,650,171
	Ngoma	5,802	4,091	5,408	3,682	45,588,084
	Nyagatare	6,820	4,140	6,647	4,112	60,101,743
	Rwamagana	9,282	7,157	7,954	6,170	55,260,174
	S/total	45,836	30,432	41,183	27,393	336,814,330
Western	Karongi	4,413	2,706	3,471	2,160	22,734,674
	Ngororero	5,301	3,590	4,277	2,862	36,942,759
	Nyabihu	8,822	6,028	9,370	6,516	59,783,041
	Nyamasheke	10,019	6,790	7,580	5,135	86,415,854
	Rubavu	10,379	7,081	9,659	6,575	78,002,041
	Rusizi	6,099	4,203	5,095	3,591	45,415,560
	Rutsiro	8,753	5,104	7,412	4,438	37,845,261
	S/total	53,786	35,502	46,864	31,277	367,139,190
Southern	Gisagara	17,160	11,741	13,608	9,205	103,761,570
	Huye	665	4,945	5,967	4,425	32,439,106
	Kamonyi	8,899	6,817	8,372	6,445	34,923,583
	Muhanga	6,810	5,016	6,340	4,753	39,281,781
	Nyamagabe	7,988	5,549	6,280	4,343	61,500,591
	Nyanza	6,918	4,577	5,186	3,561	30,893,462

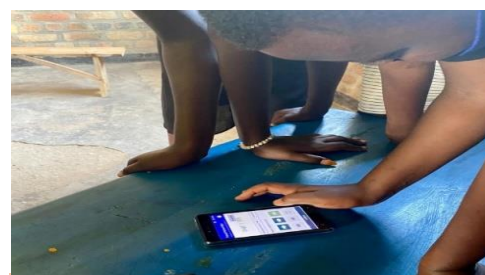
	Nyaruguru	9,189	6,788	6,897	5,255	39,623,784
	Ruhango	6,396	4,372	5,725	3,885	42,653,514
	S/total	64,025	49,805	58,375	41,872	385,077,391
Northern	Burera	12,454	7,703	11,194	6,783	69,713,935
	Gakenke	11,693	7,390	9,757	6,409	51,340,826
	Gicumbi	10,056	6,544	8,183	5,319	88,428,517
	Musanze	5,808	4,154	3,848	2,728	35,888,330
	Rulindo	16,671	11,995	14,111	10,081	75,219,682
	S/total	56,682	37,786	47,093	31,320	320,591,290
Kigali City	Gasabo	661	456	420	305	2,236,735
	Kicukiro	1,600	1,249	760	600	4,443,368
	Nyarugenge	2,703	2,098	2,456	1,873	13,679,706
	S/total	4,964	3,803	3,636	2,778	20,359,809
Total	225,293	157,328	197,151	134,640	1,429,982,010	

Source: CARE Rwanda MIS, April 30, 2022.

2.6 Digitalization of VSLAs transactions

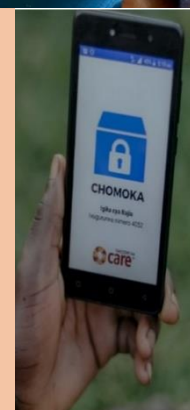
As one of the pre-defined project objectives is to contribute to an effective transition to cashless payments, through the digitalization of some of the supported saving groups' operations/transactions and development and provision of technology based formal financial services;

In total, 311 VSLAs have been digitalized and are already using CHOMOKA platform as of May 26, 2022 with the support of 210 trained digital/chomoka agents, including one digital master trainer per district who support their peers while onboarding VSLAs into Chomoka application. The first round was for 53 VSLAs digitalized in Nyanza, Gisagara, Huye districts in southern province and Rubavu and supported by other complementary sources of funds. The project has supported the second phase to roll this innovative initiative out to more districts, targeting 10 VSLA per district in the remaining 26 districts (10 per sectors) whereby the project purchased 260 smart phones to support the initiative. As of now, 258 VSLAs have been digitalized by CFGR project. Two phones were brought back to CARE for technical issues that are being addressed. The above-mentioned digitalized VSLAs have been able to digitally transact Rfw 107,880,000 as outstanding loans and Rfw 389,009,000 as total savings.



About CHOMOKA

CHOMOKA is an application developed by CARE to record savings groups meeting's operations on a digital platform using a smartphone. The tool has proven to be effective and accurate in keeping track of a group's operations history which Banks can refer to while assessing their financial performance. It enables group members to save over 80% of their meeting time.



Some of the quick lessons learnt around digitalization of VSLAs are:

- Digitized group and member profiles and records increase VSLA security and enhance adherence to VSLA methodology and good practices.
- Automated calculations streamline meetings and ensure accuracy.
- The digital literacy is generally low among VSLAs which require more time for agents to train and support them.

3 Monitoring and Evaluation

3.1 Monitoring

3.1.1 Joint Field Visits and technical review meetings

During the project execution, CARE and MINECOFIN technical teams continued to jointly monitor the implement of this partnership project to witness the changes on the field, identify challenges and possible solutions to address them. The following is the summary report of key observations from the field monitoring visits:

3.1.2 Joint progress review meetings:

Meetings were organized in all 30 districts to review the progress of the implementation of the project and strengthen the collaboration and accountability mechanisms between the VAN and local government at sector level. These meetings served as forums where VAN leaders met with sector and district leaders to plan how the project interventions will continue- joint plans were developed.

3.1.3 Joint Field monitoring with the district JADF:

The project team has been submitting the project's action plan and reports to JADF offices in all 30 districts. JADF partners' evaluation committee has been calling in the project team to explain the project's achievements.

3.1.4 MIS Data collection and Entry Process

The Management Information System/MIS is a tool to monitor the saving groups financial performance and it helps to plan for refresher training on VSLA methodology application for members financial education through a learning by doing approach.

During the project implementation, MIS sheets were distributed and collected back twice to the Village Agents for them to report on financial performance of each one supported VSLAs.

MIS reports on VSLAs and supporters Village Agents from the village to the district level are produced.

For a proper monitoring of the performance of the project, CARE customized its' existing management information systems (MIS) to include EjoHeza indicators in order to track the progress of the project and performance of different VSLGs and agents on EjoHeza. The CARE's MIS system was customized to include user defined indicators around LTSS/EJO HEZA in terms of #Subscribers and contributed amounts (both disaggregated by gender, age....) and data collection tools adjusted accordingly. CARE and EjoHeza national team agreed on possible customization of RSSB/EjoHeza IT platform to track the specific contributions of CARE's VSLG members – features help compare the performance of both VSLAs and Master Agents in their respective areas. All the 416 master trainers (1 per sector will be entered in the RSSB/EjoHeza system as EjoHeza Agents, under CARE as an outreach partner.

3.1.5 Annual Reporting

During the project implementation, bi-annual project narrative reports were produced to the donor providing the implementation progress against the project milestones. (Reference to annexes for more details)

3.2 Endline Evaluation

Towards the end of the project, an evaluation was conducted by an independent consulting firm to access the extent to which the project achieved its objectives and the positive changes that it brought in the lives of its participants. The following are key elements extracted from the project endline evaluation report.

3.2.1 Increased saving culture and capacity:

98.1% of the project participants reported that thanks to increased financial literacy, they can make weekly savings without any challenge were 97.7% of VSLA members managed to save on a weekly basis. The amount of money saved per week, the survey suggest that that 40.3% of VSLAs members saved between Frw 500 and Frw 1,500 every week, 22.9% saved between Frw 100 and Frw 500 per week while only 14.2% saved more than 2,500 Frw every week. When compared with the mature VSLAs (created before 2020), data suggest that amount saved increase as VSLAs mature. 42% of the old VSLA members save between Frw 500 and Frw 1,500 every week while it is 38.1% for the new VSLAs (created 2020 and beyond)

3.2.2 Improved financial management and investment into Income generating activities:

As shown in the following table, increased financial literacy and money management skills determine member’s prioritizations: 90.8% have increased confidence in taking loans, 83.6% invest in income generating activities, 56.9% pay EjoHeza contributions while 21.8% invest in other areas of their lives such as assets building at household level. It is also good to mention that data from CARE’s monitoring systems show that 98% of VSLA members pay community-based health insurance for themselves and family members on time. CARE has been appreciated by district leaders Karongi District in particular for the great contribution of VSLAs in achieving some performance contracts such as CBHI.

Table 8: Financial Management skills acquired by VSLA members (Mature⁷ & New)

Financial skills VSLAs member get after joining the VSLA	New VSLAs 2020 above		Old VSLAs before 2020		Total	
	Count	%	Count	%	Count	%
Taking and paying loans on time	487	86.7	702	93.9	1,189	90.8
Investing in IGA	462	82.2	633	84.6	1,095	83.6
Paying Ejo Heza contributions	328	58.4	418	55.9	746	56.9
Other areas	96	17.1	190	25.4	286	21.8
Total	562	100.0	748	100.0	1,310	100

Source: Results of End-line assessment for CFIGR, Mar/April 2022

3.2.3 Access to loans and Loan size:

In addition, the evaluation also found that the project supported members to access and use loans but the amount of loans indicates the need to continue strengthening their capacities to grow their businesses which in turn creates more needs for bigger and long-term loans. Findings show that 29.2% of respondents received a loan from Rfw 21,000 to Rfw50.000 while 24.7% accessed loan that is between Rfw51, 000 to Rfw100, 000. Further, a loan of 20,000 and below was accessed by 18.2% of the endline respondents and only 10.4% of the project beneficiaries received a loan amounting to Rwf 200,000 and above.

Table 9: Amount of loan received by beneficiaries

The amount of loan respondent received from their VSLA in the last year	Sex of the Respondents					
	Female		Male		Total	
	Count	%	Count	%	Count	%
20,000 Frw and below	166	13.6	57	4.7	223	18.2
From 21,000 Frw to 50,000 Frw	268	21.9	90	7.3	358	29.2
From 51,000 Frw to 100,000 Frw	220	18.0	82	6.7	302	24.7
From 101,000 Frw to 150,000	90	7.3	45	3.7	135	11.0
From 151,000 Frw and 200,000	55	4.5	25	2.0	80	6.5

⁷ A mature VSLA is defined as a VSLA that has been in existence for at least one year.

200,000 and above	79	6.4	48	3.9	127	10.4
Total	878	71.7	347	28.3	1,225	100.0

Source: Results of End-line assessment for CFIGR, Mar/April 2022

3.2.4 Improve and Diversified sources of Income

VSLA models has been proven effective to increase household productive and non-productive asset levels among the great majority of households. The study further revealed that the number of income-generating activities per household increased and IGA became more stable, while household labor allocated to IGAs increased. The end-line survey sought to establish the main sources of income of the VSLAs members. In this regard, the evaluation findings show that there is a mixture of effects mainly related to the extent to which various occupations have behaved from the mapping results to the endline findings.

The results indicate that, agriculture is the main occupation for both male and female, The VSLA members were dominated by women than men that is why the predominant percentages share were observed on female side.

The following table depicts the comparison from the mapping and the endline evaluation.

Table 10: Change in the main Occupation as income generating activities from baseline to endline

Main Occupation as income generating activities	CFIGR Mapping, 2020	Endline/ CFIGR, March 2022	Variation	Interpretation
Casual Labourer	46.61%	9.0%	-37.61%	Decreased
None	26.83%	2.3%	-24.53%	Decreased
Livestock	2.03%	2.6%	0.57%	Increased
Buying & selling agriculture and livestock	0.66%	2.2%	1.54%	Increased
Permanent job	0.64%	2.4%	1.76%	Increased
Small business	2.42%	12.7%	10.28%	Increased
Agriculture	20.81%	68.8%	47.99%	Increased

Source: Results of End-line assessment for CFIGR, Mar/April 2022

These findings suggest that 68.8% of the respondents have agriculture as their main source of income while 12.7% indicated that their main source of income comes from running small businesses. Comparing the mapping results and the endline findings, the results show that after the project interventions, there has been a big shift in main occupation because before the intervention, casual laborer was considered as the main source of income for most of VSLAs.

The results in the table above indicated that livestock, selling agro products, gaining permanent jobs, small business and agriculture occupations were increased when comparing CFIGR mapping findings and the findings of the endline evaluation. None (meaning none of the listed occupations dropped from 26.8% to 2.3% and is the same for casual work which decreased from 46.6% to 9.0%. It is also important to notice the increase of 10.28% in investment in income generating activities from 2.42% at the start to 12.7% at the end of the project.

However, this rate also indicates the need to support the project participants with more business development skills to initiate more and grow competitive businesses. The dramatic drop of casual labourers from 46.6% at baseline to 9% also indicates a positive change in the mindset towards self-reliance, an appetite to becoming entrepreneurs and invest in productive assets if well supported.

3.2.5 Increased Household monthly income

Financial inclusion contributes towards poverty alleviation by enabling poor households to use products and services of formal financial institutions to optimally income, save, invest, and manage risks, and to benefit from the financial deepening of the broader economy. This section focused on improvement of income earned by VSLAs members because of the project interventions.

Table 11: Monthly income earned by VSLAs members

Monthly income earned by VSLAs members comparing mapping and endline period	CFIGR Mapping ,2020	Endline March 2022	variation	Interpretation
Zero francs	34.3%	3.9%	-30.4%	Decreased
Less than 5,000F	51.2%	17%	-34.2%	Decreased
Between 5,000 and 10,000F	9.4%	26.3%	16.9%	Increased
Between 10,000 and 15,000F	2.7%	12.4%	9.7%	Increased
Between 15,000 and 25,000F	1.1%	12.8%	11.7%	Increased
Between 25,000 and 35,000F	0.8%	12.5%	11.7%	Increased
Between 35,000 and 50,000F	0.3%	7.5%	7.2%	Increased
More than 50,000F	0.2%	7.6%	7.4%	Increased

Source: Results of End-line assessment for CFIGR, Mar/April 2022

The study findings suggest that those with zero income and those with less than Rfw 5,000 income decreased by 30.4% and 34.2% respectively i.e their monthly income increased as the result of the CFGIR project intervention. The outcome proved that 7.6% of VSLAs members earning more than fifty thousand to 0.2% from the mapping saw their income increased by 7.4 points. Furthermore, the findings depicted that those earning income between five thousand to ten thousand improved their revenues from 9.4% during mapping to 26.3% at endline level. This is an improvement from the mapping that gave an increment of 16.9% after the project interventions. These results were confirmed by participants in the FGDs who submitted that the project was so important to them that guaranteed income improvement for anyone with a regular income status.

4 Best Practices and Key Lessons Learnt

4.1 Best Practices

The implementation of both the CFGIR and DDFIR projects has been undertaken using a variety of approaches and strategies which have yielded varying results. The endline evaluation captured and hereunder documents strategies that have yielded or potentially been able to yield superior results hence qualifying to be called ‘best practices’

Master trainers working as community volunteers have proved to be significant in driving VSLAs scheme through mobilization, training and registration and owned development based community participation and contribution. As it is in the implementation of both projects, master trainers have not only been able to smoothen the implementation processes but are also potentially able to enhance the sustainability of both the project gains and subsequent benefits.

Promotion of appropriate digital technologies among VSLAs members to equip master trainers with digital skills and digital materials (animated videos for the entire EjoHeza engagement cycle) to mobilize and support registration of VSLAs members into Ejo Heza, and follow up to ensure consistency of member’s payment of EjoHeza contributions are key results under this project component. These results are envisaged to be achieved through thorough mobilization of existing mature VSLA members and raising awareness for new VSLAs members to enroll into EjoHeza scheme by using digital materials and tools.

4.2 Key lessons learned

- The CARE-MINECOFIN direct engagement as VSLA scaling partner served as an effective model that can inform further socio-economic transformation programming decisions. The joint implementation model has been effective in terms of consolidating efforts to timely address issues and/or make required adaptations.
- Findings from the mapping pilot exercise highlighted that we still have Rwandans who are totally financially excluded (not owning a bank/MFI/SACCO's account, without MNO account and not belonging to any saving group. Data on behaviors from sectors show that people from deep rural (hard-to-reach) areas have very limited options to access /use formal financial services. Most of the financially excluded citizens were found to belong to the lowest poverty levels. This calls for a project with a more comprehensive package and a very close interconnectedness between financial education, financial inclusion and livelihood conditions.
- The implementation model through community-based structure /VAN and local government is cost effective but requires time and close collaboration to build and mature relationships and support-supervision.
- An early engagement of all stakeholders is important for a strong collaboration and success. This was confirmed by the remarkable ownership of the project and the support by RSSB/EjoHeza, district leaders and community members for the achievements and success of the project.
- Well trained Village Agents and Master Trainers can bridge the gaps of community financial literacy and drive the sustainability of digital transactions. Therefore, on-going training and capacity building of VSLAs members in entrepreneurship, group strengthening and governance remain essential for success.
- Leveraging village agents' network is an effective way to ensure that EjoHeza mobilization messages reach the entire community. Prior to having agents, local leaders could spread the mobilization messages, but no one was close to the community to follow up on actions i.e. enrollments and payments.
- The VSLA self-management principles conflict with any rushed mobilization of members to join EjoHeza if they are not engaged enough to include the scheme into their saving goals. Active mobilization of EjoHeza is more effective among mature VSLAs whose members have improved livelihood conditions and acquired the saving culture.
- When VAN is fully operational, VSLAs supported are self-managed and there is a higher number of new VSLAs formed and most of mature VSLA members are enrolled into EjoHeza

5 Sustainability Mechanisms

Project sustainability is a key pillar of project success and projects ought to embed sustainability measures in their designs and implementation arrangements. Effective stakeholder engagement and participation, degree of community ownership, stakeholder willingness and ability to contribute resources for project continuity as well as enhanced stakeholder capacity to management the project components beyond the funding period are the key tenets of project sustainability.

CFIGR project strongly entrenched sustainability in both the project design and implementation through systems approach right from the top (district level) to the local community (village level). For instance, engagement with the district and sector authorities facilitated an enabling environment for the implementation of the projects. At community level, sustainability was addressed by trained village agents and master trainers and their network establishment.

Normally, CARE's VSLA and financial linkage models are self-replicated and sustained in nature.

For this specific project, the following mechanisms have been adopted to ensure that the project interventions continue and are sustained even beyond the project lifetime:

- Local government structures, especially staff in charge of access to finance were involved in the implementation process – it is believed that this has increased their ownership and commitment to support the continuity of interventions.
- The village agents network was structured to ensure coordination and support among the members with limited presence of CARE staff. The VAN management committees at sector level, master trainers in all 416 sectors as well as their management committees at the district level have been extremely useful to ensure the implementation and sustained of interventions;
- VSLA creation and EjoHeza mobilization continuity plans have been developed by CARE's VAN and government sector officers in charge of these components. Monthly meetings that bring both together serve as avenue to ensure accountability towards these commitments.
- The integration of EjoHeza into all CARE's financial education curricula and VSLA products will help to have a continued mobilization and persistence in paying members' contributions. CARE Rwanda has signed a strategic MoU with RSSB and has been working closely with EjoHeza teams at national and district level to ensure a continuous engagement.
- The project components such as Financial inclusion and digitalization are core to the revised CARE Rwanda strategy – this provides a room for a continued resource mobilization to continue improving the livelihood conditions of the program participants;
- Recognition of VSLA model as a platform for financial inclusion and its Integration into the national financial inclusion strategy as well as entry point for CARE's programming will ensure that both CARE and government keep an eye on the project interventions post-CFIGR

However, despite the above-mentioned efforts to ensure sustainability, it is paramount to highlight that most of the VSLAs have been created in the final year of the project and they are still fragile. Also, the newly expanded VAN did not get enough support from the project to continue supporting created VSLAs and replicate the model to reach more Rwandans.

6 Challenges and Recommendation

6.1 Challenges

Key challenge	Tried Solutions
Covid-19 pandemic period has been a major challenge to the implementation of the project. Its mitigation measures such as lockdowns limited the physical presence on the field which affected the completion process of some activities such as VSLA creation and linkages to formal financial services and the support supervision to both Agents and VSLAs.	The project team was regularly working on adaptation of project's implementation plan to ensure that all the remaining activities were completed. The plan informed on a 4 months no-cost extension to speed up the implementation and catch up with experienced delays. MINECOFIN leadership and technical teams have been very supportive throughout the adaptation processes and their implementation.
Limited interactions of the project team with the VAN due to covid-19 situation resulted into some Agents relaxing in performing their duties (e.g. creating VSLAs and reporting	<ul style="list-style-type: none"> - Field visits were intensified to catch up with covid-19 caused delays. - VSLA creation continuity roadmaps developed by agents together with sector officials and monitored during the VAN meetings at sector level where VAN was fully functional.
Dropouts among VAN members in search of other opportunities. Multi-tasked Village Agents not fully committed to or gave up on the project	<ul style="list-style-type: none"> - Guidelines for VAN management and VAs replacements were shared with local sector leaders and VAN leaders to guide replacements of agents in case of drop outs. - Performance-based incentives were paid to increase agents' motivation. - Long term solution is to Establish the sustainable VAN Social Enterprise Model that pairs social impact with business approaches, starting from what they can offer today. Unfortunately this last solution was not tried as the project came to an end.
Limited project resources: during the implementation, it was noticed that some important aspects were not considered or were under-budgeted during the initial project budget. Examples included limited incentives to agents, limited budget to cover meals during their trainings as well as under-estimated LoEs/human resources to implement the project (2 CARE staff and 2 MINECOFIN staff) – the team was found too small to handle a project that covers the entire country.	CARE Rwanda has invested more resources to ensure an effective implementation of the project. The project has been also hiring temporary staff to support when there were intensive activities going on e.g. training of village agents, monitoring of mapping activity, etc. budget realignments have been done and approved by MINECOFIN but within the limits of the initial total approved budget— CARE Rwanda has been always grateful to MINECOFIN for flexibility and support.
Most of FSPs operating at the commercial centers leaving many VSLAs in need of	CARE Rwanda met with its partner FSPs to discuss the opportunity to adapt products and delivery

<p>formal financial services underserved due to the cost of distance on both demand and supply.</p>	<p>models to serve more VSLAs. CARE Rwanda has been working with its partner FSPs to review existing MoUs to address any issue that may affect the demand-supply relations. Formalization of VSLAs linkage to U-SACCOs services is also being explored in collaboration with AMIR.</p>
<p>Enforcement of EjoHeza in newly created groups by local leaders without necessarily respecting the pre-defined EjoHeza-VSLA integration guidelines (agreed upon with MINECOFIN and EjoHeza teams) has been another challenge that might have affected the enrollment of groups members into the scheme.</p>	<p>As a mitigation, it was agreed with MINECOFIN and EjoHeza teams and communicated to agents and local government officials that active mobilization should only be done among mature VSLAs while awareness is raised for new VSLAs. The related guidelines have been shared with EjoHeza coordination team and must be respected at all levels for effectiveness and sustainability.</p>

6.2 Key Recommendations

1. Since the primary purpose of a VSLA scheme is to act as a platform to promote savings and access loans for members, there is strong need to speed up VSLA digitalization through VSLAs digital platforms so as to build trust with financial institutions, and address barriers that affect VSLAs and members to access and use affordable and appropriate formal financial services.
2. Project participants are positive that Village Agents tremendously led to improvements in savings, access to loan and improving their livelihood conditions in the areas covered by the project. Therefore, providing significant monetary performance-based incentives to the village agents would improve their ability and motivation to support VSLAs members.
3. The implementation model through community-based structure such as theVAN in collaboration with local government is cost effective but requires time and close collaboration to build and nature relationships and support-supervision. A program with focus on institutional capacity building for the village agents network is strongly recommended to implement, replicate and sustain different community development programs.
4. The endline findings demonstrated that Women have become economically empowered and better able to contribute to providing basic needs for their family. However, More interventions oriented toward enhancing women’s economic and climate justice are strongly recommended to build on CFIGR achievements with a particular focus on addressing the factors that affect women access to, use and control over economic resources towards a more resilient and sustainable graduation out of poverty.
5. During the final project review and learning event that was organized in Kigali on 29th of April 2022 bringing together different stakeholders in the financial sector in Rwanda to reflect on the project achievements, best practices, lessons learnt, challenges and sustainability

mechanisms; stakeholders appreciated the great achievements of the project, thanked all stakeholders who contributed to the success of the project. The following additional recommendations were made by participants:

- Given that most of the VSLAs were created in the second year of the project and they are still too fragile to sustain their operations, it was recommended that CARE and MINECOFIN explore possibilities to continue strengthening and sustaining the project achievements and take participants to the next level.
- Given the proven role of VSLAs and the VAN members to advance EjoHeza among community members, it was recommended to continue the integration of the scheme into VSLAs and support the VAN to continue and sustain the work already started. CARE , RSSB and MINECOFIN will continue engaging on this as well;
- Despite the changes that the project brought into their lives, livelihood conditions of the project participants show the need to support them with other complementary interventions for much more resilient and sustainable graduation out of poverty. Entrepreneurship, formal financial linkages, market linkages, digitalization and gender transformative interventions were some of the examples;

8. Annexes:

Annex 1 : General CARE Rwanda’s VSLA distribution and Performance

Annex 2: CFIGR created VSLAs distribution and Performance per district

Annex 3: CARE Rwanda’s VSLA performance on EjoHeza (both new and mature VSLAs, all districts)

Annex 4: [CFIGR -Village Agents Network Data Base](#) (link)

Annex 5: [CFIGR - Financially Excluded citizens _ Mapping Data set](#) (link)

Annex 6: [CFIGR Project Endline Evaluation Report](#) (link)

Closing the Financial Inclusion Gap in Rwanda

Annex 1: General CARE Rwanda's VSLA distribution and Performance

Province	District	Total number of VSLAs (Existing and newly created)	Total number of members	VSLA women members		Total Cumulative savings	Total loans	VSLAs working with financial institutions		Total members of VSLAs accessing formal financial services		Number of members accessing formal financial services (with individual accounts)	
				Count	%			Count	%	count	%	Count	%
Eastern	Bugesera	2,022	57,740	45,476	79%	1,509,554,438	1,374,377,048	1,371	68%	37,017	64%	14,474	25%
	Gatsibo	1,480	40,417	28,007	69%	1,025,285,646	804,429,940	931	63%	25,137	62%	10,077	25%
	Kayanza	976	27,280	20,577	75%	744,971,220	574,959,503	767	79%	20,709	76%	10,190	37%
	Kirehe	2,078	59,554	44,076	74%	1,908,936,457	1,805,115,634	1,310	63%	35,370	59%	2,230	4%
	Ngoma	1,698	48,169	36,993	77%	1,475,778,703	1,346,612,354	1,267	75%	34,209	71%	14,188	29%
	Nyagatare	2,158	61,828	46,223	75%	2,252,307,934	2,237,979,201	1,145	53%	30,915	50%	15,108	24%
	Rwamagana	1,313	37,684	30,246	80%	1,285,711,239	916,351,715	1,057	81%	28,539	76%	13,331	35%
	S/total	11,725	332,672	251,598	76%	10,202,545,637	9,059,825,395	7,848	67%	211,896	64%	79,598	24%
Western	Karongi	1,353	34,212	22,305	65%	883,529,841	785,743,182	419	31%	11,313	33%	9,080	27%
	Ngororero	1,297	35,296	25,747	73%	737,834,488	691,533,211	552	43%	14,904	42%	8,615	24%
	Nyabihu	1,241	34,043	26,083	77%	514,836,538	528,090,937	622	50%	16,794	49%	8,608	25%
	Nyamasheke	1,421	33,963	24,530	72%	316,190,477	279,784,521	270	19%	7,290	21%	10,543	31%
	Rubavu	1,146	32,408	23,695	73%	819,386,795	808,173,017	925	81%	24,975	77%	13,688	42%
	Rusizi	1,480	34,137	24,385	71%	421,097,357	282,228,724	159	11%	4,293	13%	7,551	22%
	Rutsiro	1,045	26,210	16,730	64%	123,142,875	82,940,064	217	21%	5,859	22%	7,803	30%
	S/total	8,983	230,269	163,475	71%	3,816,018,371	3,458,493,656	3,164	35%	85,428	37%	65,888	29%
Southern	Gisagara	1,749	48,451	34,899	72%	1,044,010,290	851,220,632	1,137	65%	30,699	63%	26,491	55%

Closing the Financial Inclusion Gap in Rwanda

	Huye	876	22,313	17,197	77%	617,678,851	472,114,125	651	74%	17,577	79%	12,434	56%
	Kamonyi	906	25,359	19,832	78%	520,452,779	416,911,605	503	56%	13,581	54%	11,924	47%
	Muhanga	936	25,735	20,127	78%	482,907,560	355,000,357	453	48%	12,231	48%	9,737	38%
	Nyamagabe	1,711	41,952	29,523	70%	602,380,327	586,325,782	750	44%	20,250	48%	17,593	42%
	Nyanza	1,199	33,193	23,339	70%	899,482,011	796,544,232	670	56%	18,090	54%	15,609	47%
	Nyaruguru	1,309	34,719	26,635	77%	689,591,095	669,532,728	843	64%	22,761	66%	18,852	54%
	Ruhango	1,008	29,125	21,950	75%	997,785,251	880,571,560	855	85%	23,085	79%	14,591	50%
	S/total	9,694	260,847	193,502	74%	5,854,288,164	5,028,221,021	5,862	60%	158,274	61%	127,231	49%
Northern	Burera	1,982	55,037	39,725	72%	1,177,791,206	1,149,989,694	638	32%	17,226	31%	15,429	28%
	Gakenke	1,683	47,318	33,580	71%	935,788,172	963,060,945	960	57%	25,920	55%	20,939	44%
	Gicumbi	1,598	44,786	33,307	74%	908,179,114	776,977,542	1,190	74%	32,130	72%	18,623	42%
	Musanze	1,205	34,159	27,180	80%	632,235,189	569,905,993	708	59%	19,116	56%	9,983	29%
	Rulindo	2,259	65,107	51,107	78%	1,458,346,905	962,078,624	1,346	60%	36,342	56%	25,412	39%
	S/total	8,727	246,407	184,899	75%	5,112,340,586	4,422,012,798	4,842	55%	130,734	53%	90,386	37%
Kigali City	Gasabo	108	2,729	2,081	76%	39,622,000	18,556,708	45	42%	1,215	45%	1,283	47%
	Kicukiro	169	4,450	3,541	80%	104,091,074	48,996,564	129	76%	3,483	78%	2,111	47%
	Nyarugenge	370	9,780	7,478	76%	223,955,581	87,974,920	190	51%	5,130	52%	4,440	45%
	S/total	647	16,959	13,100	77%	367,668,655	155,528,192	364	56%	9,828	58%	7,834	46%
	Total	39,776	1,087,154	806,574	74%	25,352,861,413	22,124,081,062	22,080	56%	596,160	55%	370,937	34%

Annex 2: CFIGR created VSLAs distribution and Performance per district

Province	District	Total number of VSLAs (newly created)	Total number of members	VSLA women members		Total Cumulative savings	Total loans	VSLAs working with financial institutions		Total members of VSLAs accessing formal financial services		Number of members accessing formal financial services (with individual accounts)	
				Count	%			Count	%	count	%	Count	%
Eastern	Bugesera	338	8,952	6,602	74%	178,525,020	152,487,931	88	26%	2,376	27%	2,875	32%
	Gatsibo	636	16,320	11,027	68%	255,200,235	192,494,383	240	38%	6,480	40%	5,452	33%
	Kayonza	255	6,608	4,931	75%	111,488,980	75,818,660	137	54%	3,699	56%	2,682	41%
	Kirehe	686	19,039	13,397	70%	360,691,411	360,510,399	266	39%	7,182	38%	6,915	36%
	Ngoma	330	8,941	6,584	74%	184,625,500	169,681,000	110	33%	2,970	33%	1,915	21%
	Nyagatare	488	13,674	9,685	71%	311,292,155	332,111,691	84	17%	2,268	17%	3,462	25%
	Rwamagana	337	9,285	7,270	78%	2,302,311,770	134,297,460	198	59%	5,346	58%	4,052	44%
	S/total	3,070	82,819	59,496	72%	3,704,135,071	1,417,401,524	1,123	37%	30,321	37%	27,353	33%
Western	Karongi	517	11,994	7,236	60%	118,875,801	101,495,804	56	11%	1,512	13%	3,717	31%
	Ngororero	351	9,227	6,482	70%	108,010,425	99,521,919	55	16%	1,485	16%	3,032	33%
	Nyabihu	461	12,077	9,110	75%	100,801,395	96,405,125	91	20%	2,457	20%	4,667	39%
	Nyamasheke	1,421	33,963	24,530	72%	316,190,477	279,784,521	270	19%	7,290	21%	10,543	31%
	Rubavu	281	7,261	5,082	70%	107,987,291	97,292,137	176	63%	4,752	65%	3,769	52%
	Rusizi	1,480	34,137	24,385	71%	421,097,357	282,228,724	159	11%	4,293	13%	7,551	22%
	Rutsiro	1,045	26,210	16,730	64%	123,142,875	82,940,064	217	21%	5,859	22%	7,803	30%
	S/total	5,556	134,869	93,555	69%	1,296,105,621	1,039,668,294	1,024	18%	27,648	20%	41,082	30%
Gisagara	857	23,124	16,020	69%	302,789,480	237,644,578	361	42%	9,747	42%	9,726	42%	

Southern	Huye	295	6,871	5,058	74%	102,917,700	60,954,070	114	39%	3,078	45%	2,894	42%
	Kamonyi	566	15,585	11,968	77%	139,469,270	112,325,400	217	38%	5,859	38%	6,362	41%
	Muhanga	504	13,610	10,442	77%	144,230,860	107,382,550	115	23%	3,105	23%	4,369	32%
	Nyamagabe	1,088	25,600	17,629	69%	272,412,337	254,829,683	257	24%	6,939	27%	9,243	36%
	Nyanza	547	14,599	9,981	68%	231,888,696	190,726,326	157	29%	4,239	29%	4,769	33%
	Nyaruguru	544	13,523	9,911	73%	181,584,647	180,832,300	174	32%	4,698	35%	6,087	45%
	Ruhango	202	5,703	4,159	73%	156,788,771	132,562,470	113	56%	3,051	53%	2,494	44%
	S/total	4,603	118,615	85,168	72%	1,532,081,761	1,277,257,377	1,508	33%	40,716	34%	45,944	39%
Northern	Burera	1,043	27,894	18,356	66%	410,528,506	382,140,929	167	16%	4,509	16%	9,959	36%
	Gakenke	613	16,461	10,714	65%	240,353,040	245,960,699	192	31%	5,184	31%	7,596	46%
	Gicumbi	619	16,523	11,833	72%	268,178,585	236,554,069	435	70%	11,745	71%	8,302	50%
	Musanze	373	10,129	7,392	73%	120,662,315	98,247,540	130	35%	3,510	35%	3,597	36%
	Rulindo	564	15,767	12,016	76%	216,458,219	121,573,716	360	64%	9,720	62%	8,176	52%
	S/total	3,212	86,774	60,311	70%	1,256,180,665	1,084,476,953	1,284	40%	34,668	40%	37,630	43%
	Kigali City	Gasabo	108	2,729	2,081	76%	39,622,000	18,556,708	45	42%	1,215	45%	1,283
Kicukiro		169	4,450	3,541	80%	104,091,074	48,996,564	129	76%	3,483	78%	2,111	47%
Nyarugenge		370	9,780	7,478	76%	223,955,581	87,974,920	190	51%	5,130	52%	4,440	45%
S/total		647	16,959	13,100	77%	367,668,655	155,528,192	364	56%	9,828	58%	7,834	46%
Total	17,088	440,036	311,630	71%	8,156,171,773	4,974,332,340	5,303	31%	143,181	33%	159,843	36%	

Annex 3: CARE Rwanda's VSLA performance on EjoHeza (both new and mature VSLAs, all districts)

Province	District	Total Members Registered in LTSS	#women Registered in LTSS	# Members saving in LTSS	#Women saving in LTSS	Total amount saved in LTSS (FRW)
Eastern	Bugesera	4,687	3,271	4,058	2,903	36,288,183
	Gatsibo	7,813	4,597	6,794	4,012	34,512,225
	Kayonza	3,589	2,422	3,066	2,076	26,413,750
	Kirehe	7,843	4,754	7,256	4,438	78,650,171
	Ngoma	5,802	4,091	5,408	3,682	45,588,084
	Nyagatare	6,820	4,140	6,647	4,112	60,101,743
	Rwamagana	9,282	7,157	7,954	6,170	55,260,174
	S/total	45,836	30,432	41,183	27,393	336,814,330
Western	Karongi	4,413	2,706	3,471	2,160	22,734,674
	Ngororero	5,301	3,590	4,277	2,862	36,942,759
	Nyabihu	8,822	6,028	9,370	6,516	59,783,041
	Nyamasheke	10,019	6,790	7,580	5,135	86,415,854
	Rubavu	10,379	7,081	9,659	6,575	78,002,041
	Rusizi	6,099	4,203	5,095	3,591	45,415,560
	Rutsiro	8,753	5,104	7,412	4,438	37,845,261
	S/total	53,786	35,502	46,864	31,277	367,139,190
Southern	Gisagara	17,160	11,741	13,608	9,205	103,761,570
	Huye	665	4,945	5,967	4,425	32,439,106
	Kamonyi	8,899	6,817	8,372	6,445	34,923,583
	Muhanga	6,810	5,016	6,340	4,753	39,281,781
	Nyamagabe	7,988	5,549	6,280	4,343	61,500,591
	Nyanza	6,918	4,577	5,186	3,561	30,893,462
	Nyaruguru	9,189	6,788	6,897	5,255	39,623,784
	Ruhango	6,396	4,372	5,725	3,885	42,653,514
S/total	64,025	49,805	58,375	41,872	385,077,391	
Northern	Burera	12,454	7,703	11,194	6,783	69,713,935
	Gakenke	11,693	7,390	9,757	6,409	51,340,826
	Gicumbi	10,056	6,544	8,183	5,319	88,428,517
	Musanze	5,808	4,154	3,848	2,728	35,888,330
	Rulindo	16,671	11,995	14,111	10,081	75,219,682
	S/total	56,682	37,786	47,093	31,320	320,591,290
Kigali City	Gasabo	661	456	420	305	2,236,735

	Kicukiro	1,600	1,249	760	600	4,443,368
	Nyarugenge	2,703	2,098	2,456	1,873	13,679,706
	S/total	4,964	3,803	3,636	2,778	20,359,809
	Total	225,293	157,328	197,151	134,640	1,429,982,010