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# BUILDING UP SAVINGS AND FINANCIAL SKILLS FOR ECONOMIC EMPOWERMENT AND WELLBEING OF WOMEN AND YOUTH IN RURAL RWANDA

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*Monthly Report : Project's activities for July & August 2020*

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## *Executive Summary*

The major activity of July and August 2020 was to make a deep analysis of the consequences of COVID-19 on this project's beneficiaries. Information was collected during face to face discussions with various group members but also where needed through phone interviews. The main objectives of this exercise was to:

1. To establish a database of groups' descriptive profiles.
2. To provide progress of groups' activities and aspirations during this COVID-19 period.

The project staff use the attached checklist questions as a guide to all discussions and descriptive information was directly recorded in groups' profile sheets. Additional notes were also taken during the discussions to inform the second objective of this activity. Below are the key points that came out of our analysis:

- The majority (around 62%) of the wage workers in the saving groups is made by women while youth represents 39% of the total number of group members. This confirms that women are highly represented in this category of rural labour market. It is also an indicator that facilitation to more formal savings option was really needed among these women.
- The COVID-19 crisis particularly the total lockdown time had a negative effect on the saving groups. Most of the groups completely stopped their saving activities for at least 2 months. Findings showed that respectively 71.4% and 85.7% of our groups in the Eastern Province and in Musanze districts stopped savings during the lockdown.
- In the time of crisis, savings served as emergency funds for most of the group members. Considering the two districts in the North where groups were already well established, 31.8% of the groups paid health insurance for the members that had the difficulties during this period, 22.7% shared the money they had when the lockdown started while 18.2% invested some money in inputs for the coming season while others bought inputs for the members.
- The new groups (in the East), have managed to start saving with one exception where some members did not trust one of the leaders. A number of success stories from these groups was shared in this document.
- The group members presented their mid-term plans. The majority of groups is planning to start market-oriented crop production and small livestock keeping.

## 1.Descriptive information on groups

In total, the project involves 42 groups among which 28 are located in the Northern Province while 14 are the new groups located in the Eastern Province, respectively in Burera and Musanze, and Gatsibo and Ngoma districts. The information reported in this document comes from 38 groups (i.e. 90% of the total number) while the project' staff are still compiling data from the remaining 4 groups.

As shown in Table 1 below, the total number of the members in the 38 groups is 476 wage workers. The majority (around 62%) of these wage workers is made by women while youth represents 39 % of the total number of group members. Looking at the district level, this exercise revealed that Ngoma comes at the top in having many women in the created groups with 71% of the members being female. Musanze is (preliminarily) in the second place with 64% of women, followed by Burera with 61%. In Gatsibo, the proportion of women is around 51% and here we found 2 groups with 81% and 95% of members that are women. The general observation is that even among the new groups, women are predominantly represented in agricultural wage works and this confirms the previous findings from our research in the Northern Province (Bigler *et al*, 2017). Moreover, the high proportion of women in the saving groups is another indicator that they really needed this more formal saving option.

In regards to youth, the highest number of young people is found in Burera (50%) while their proportion is 26% in Gatsibo and 31% in Ngoma. It was also noted that on average, our groups are comprised of 12-13 members. The smallest group was found in Burera with 7 members whereas the big group has 25 members and this one is among the new groups, located in Ngoma. With exception of few groups, the majority of our groups falls into the recommended range of 10 to 25 members that are recommended in most of literature (Allen,2019; ILO,2006).

*Table 1: Description of group members per District*

<b>District</b>	<b>Number of groups</b>	<b>Number of members</b>	<b>Number of women</b>	<b>Number of Men</b>	<b>Number of youth</b>
Burera	10	74	45	29	37
Musanze	14*	172	110	62	84
Gatsibo	8	122	62	60	32
Ngoma	6	108	77	33	34
<b>Total</b>	<b>38</b>	<b>476</b>	<b>294</b>	<b>184</b>	<b>187</b>

\*Note: Information on the remaining 4 groups in Musanze is not yet complete

Each of the group has a committee of 3 people that is nominated by the group members and 52% by the committee members are women. Among these women in leadership, 30% are at the top position in their committees (president).

## 2. Progress and aspirations in the time of COVID-19

### a) What they have been doing in lockdown and post-lockdown time

As highlighted in our report for June, the saving groups' members encountered a number of problems during this period of COVID-19 and the situation was more difficult during the country's total lockdown that occurred between March and June. Observations based on the recent discussions held with group representatives are that most of the groups completely stopped their saving activities for at least 2 months. According to some respondents the meetings have stopped up to 3 months. That is from Mid-March to end of May 2020. For instance, in the Eastern province where the saving initiative was introduced only 2 months before COVID-19 in the country, it was found that 71.4% of our groups stopped savings during the lockdown. In the North, the information we got from Musanze revealed that 85.7% of the groups have stopped whereas in Burera, a half of the group could not save in this period.

During this time, the workers had very limited access to jobs as employers were not working at their normal rhythm. Some groups in the North had difficulties to get market for what they have harvested from their investment in potato and beans production while on the other side, experiencing high shortage of potato seeds and limited access to input market. In spite of this, some interesting actions were still taken depending on what the group members judged helpful for them in this critical time. Our investigation showed that among the old groups, major actions were taken to support the members while others were done as part of investment for the future. It was also observed that among the new groups, there is one group that could not start any activities as the majority didn't trust one of their leaders (their accountant). This group was advised to change the committee.

In Table 2, these various actions are summarized. Considering the two districts in the North, 31.8% of the groups paid health insurance for the members that had the difficulties during this period. Another proportion of 22.7% reported that their members shared the money they had when the lockdown started while 18.2% invested some money in inputs for the coming season. There were

also few cases (9.1%) in which the group bought inputs namely fertilisers and seeds for their members during this time of crisis.

*Table 2: Actions taken during COVID-19 period*

<b>Category of action</b>	<b>Actions taken</b>	<b>Proportion of groups</b>
<b>Support to members</b>	Sharing the available cash	22.7 %
	Giving small loans	22.7 %
	Paying health insurance	31.8 %
	Buy inputs (seeds, fertilisers)	9.1 %
<b>Usual investment</b>	Buy inputs (land renting, fertilisers, seeds).	18.2 %

#### b) Some success stories from new groups

The stories from new groups are not unique in this project as we have found similar cases in the Northern province, prior to the introduction of savings in the East. What makes them interesting is that these groups had outstanding initiatives and achievements during this difficult time of COVID-19 that hit the country, only few days after they opened their accounts.

##### ***Story 1: Case of GIRUBUZIMA KIBONDO “Be healthy dear child”***

This group has 23 members where 18 are women and 7 men. The group has 80 000 Rwf on their account. They used 50 000 Rwf to pay health insurance for their group members who were not able to pay for themselves as a consequence of lockdown. One of the group leaders (accountant), lent them a small plot of land that they used to plant cabbage. The money from selling the cabbage will be used in pig production. Location: NGOMA



*Some of the members of Girubuzima kibondo during group discussion*

***Story 2: The case of DUFATANYE “Let’s support each other”***

In this group, members decided to lend money to their fellows as a support to pay their health insurance (Mutuelle de sante). In addition to this, they bought the dresses or clothes (igitenge) to help one member of group who is poor. The members mainly consider the group as a place of social support. One of the person who received support from saving group said that she has started to realise the importance of joining others in saving. She has full confidence that together they will achieve whatever they aim for since there is harmony in their group. Location: NGOMA

***Story 3: The case of ICYEREKEZO “Vision”***

The group has 15 members where 11 are women and 4 men. Among these, only one member is considered in youth category (under 35 years). Despite the consequences of COVID-19, they managed to save 151, 000 Rwf on their account and by the time of our visit, their accountant was keeping 50 000 Rwf. In this short period, they have already bought a pig which have a value of 80 000 Rwf and the pig is currently pregnant. They are planning to share the expected piglets among the members. Besides, the group members have started labour exchange by which they plough for

three members for free, depending on the labour needs and activity timing. All the members appreciate this idea. Location: NGOMA



*Some members of ICYEREKEZO group discussing their achievements*

***Story 4: The case of TUGANEHEZA “Moving to a brighter future”***

This group has 21 members all those are women and 2 of them are under 35 years old. Every member of saving group brings 500frw as contribution every week where they had 215,200frw saved on their account. This was a big achievement, when considering the date of its creation as well as the conditions under which the group members have been operating. This group has the purpose of keeping on saving and to buy mattress for every member of group at the end of October.

Location: GATSIBO



*Discussion with the members of TUGANEHEZA at Gatsibo*

***Story 5: The case of EJOHEZA “Better tomorrow”***

This group is only composed by men (they are 15 in total). The group was created in February 2020, just after our first introduction of the initiative to them. They took the decision of saving 500Rwf per week per member. At the end of July, the group reported having 180 000 Rwf and they have decided to pay health insurance of 4 household members for every group member. This supported these men as most of them are head of their households, holding the responsibility of paying the health insurance for the members of their families. In cases where households do not have 4 members, the wage worker was allowed to take the remaining money and use it to cover other needs.

**c) Some success stories from Musanze**

In the first phase of this project, the groups in Musanze were not given any financial or in-kind boost as it was done for those in Burera.<sup>1</sup> The collected information show that some groups have managed to start and are advancing well with their small initiative. Below, two success stories are summarized:

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<sup>1</sup> The groups of Burera got a support of improved potato seeds that was bought by CIAT for them to start market oriented potato production.

***Story 1: The case of TUZAMURANE “Let’s lift each other”***

This group is made of 10 members (5 women) with the majority (9) being youth. When this project started, their employer lent them a small plot to produce vegetables for market. In the last season, they produced onions and they told us that in April 2020, they got 210,000 Rwf from selling them. They used the money to rent a plot of land of 20 Area for planting potato crop. In June, their income from onions also allowed them to buy potato seeds which have a value of 75,000 Rwf and the remaining money will be used to buy manure. Location: Musanze/Kinigi

***Story 2: The case of TWITEZIMBERE “Let’s develop ourselves”***

The group has 18 members, counting 8 women. They started maize production in the last season and by the time we visited them, their maize crop was still in the field planted on a rented plot of 30 Ares. The land costed them 90,000 Rwf for 2 seasons. They were able to buy seed having value of 4,000 Rwf and they are planning to use it in October after harvesting maize crop. They paid health insurance for all group members and gave small loans of 190,000 Rwf that will be paid back with 5% of interest. They also have 25 sheep that are distributed among the group members. Location: Musanze/Kinigi

**d) Some success stories from Burera**

***Story 1: The case of 3 groups work together to cultivate wheat***

Three groups namely Mahwi, Dukundumurimo na Giramahoro decided to grow wheat in the last season. They rented a plot of 1Ha together and bought good wheat seeds to produce for the market. In the first week of September when we visited them, they were busy harvesting as shown in the pictures below. Already, they are in contact with potential buyers of their produce.





## ***Story 2: The case of Jijuka “Be educated” and Terimbere “Advance/Develop”***

These 2 groups operate in the same village and have opted to invest their savings in market oriented production. Our last visit was a surprise to them as none was informed about it. We were pleased to find some of the workers contributing their labour in the group field. In the first field, one of the member of Jijuka group was removing weeds in the group’s maize field while in the second, a worker was applying pesticide in Terimbere’s sorghum field. The later told us that his group has another plot of 30Ares in a different village where they have grown sorghum too.



*Maize crop for Jijuka group*

*A worker spraying pesticides in Sorghum crop for Terimbere*

From both stories from Burera, it is clear that workers are really committed in making profitable use of their savings. In our discussions with the few members we met in the field, they showed the workers themselves contribute most of the labour works needed in their crop production and reserve their savings to rent the land and pay inputs. This testify high level of ownership and good collaboration among themselves. It is also a good sign of sustainability of this initiative.

### **d) Future plans**

In our discussions, wage workers were able to share the plans they have for the saved money. Among the new groups; 57% of the groups is planning to start market-oriented crop production in September. They were mainly thinking to produce beans, maize and vegetables (onions, cabbage). A number of groups (21%) has no plan for investment but supporting each other while around 14% is planning to buy livestock for the members. They were proposing to start with poultry and pig keeping. The rest wanted to first get enough money on their saving accounts.

In Burera, 90% are planning to continue with market oriented crop production, following a rotation system of Potato and Maize or Beans. The coming season will be mainly for potato production. There are also groups that are planning to continue with livestock rearing, in combination with their crop production activities. All of the groups are motivated to keep their savings growing.

In Musanze, 57% will invest in crop production mainly growing vegetables (garlic and onions), beans and potato in the coming season; 29% are planning to do livestock keeping (pig, goat and sheep) and others have not yet made a clear plan of what to do in the next season.

### 3. Conclusion

In July and August, the project's field activities focused on resuming our regular contacts with saving groups but also collecting information on the profile of the established saving groups as well as their activities and aspirations during this COVID-19 period. The general conclusion is given in the following 3 points:

- ❖ Despite the challenges faced in the last 3-4 months, the saving groups have tried to cope and they are willing to continue with their saving activities. This is indicated by the various actions taken in supporting their members during the most critical time of this period. Their plans for the coming seasons is also another indicator that they are committed to continue and hope for a better future.
- ❖ All the groups, particularly the new ones need a close follow up and guidance on group management, mid-term and long-term planning. The various training modules should incorporate these aspects for more outcomes and higher level self-confidence among the group members.
- ❖ Frequent calls and visits are needed to increase project visibility and impact. At least one visit per group should be scheduled at the before the end of this year. This would be useful in completing the group profiles and understanding of their success and failures.

## 4. References

1. Allen H. (2019). Village Savings and Loan Associations: Field officer's training guide. *Village Savings and Loan Associates*. <https://www.vsla.net/vsla-tools/training-guides/>
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