

End-Evaluation
of
HiH and CARE Job Creation Project
FINAL REPORT

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Executive Summary

The Hand in Hand and Care Job Creation project was created as a cooperation project between Hand in Hand (HiH) and CARE. Implemented by CARE Rwanda and HiH Eastern Africa, the project combined CARE's Villages Savings and Loan Group (VSLG) methodology with HiH's entrepreneurship training in seven districts in the Eastern Province of Rwanda. The goal of the project was to promote sustainable improvement in livelihood resilience and diversity and to create employment opportunities for 100,000 poor and very poor people, mainly women.

This End-of-Project evaluation was commissioned to analyze to what extent the program reached its objectives and outcomes, but also to assess the project's effectiveness, efficiency, impact, sustainability and replicability. A specific focus was the gender-responsiveness of the project delivery. Finally, the evaluation was to evaluate the project management and project structure.

The methodology included 1) carrying out a survey of 530 VSLG members, both project beneficiaries and non-project beneficiaries (i.e. VSLG members trained in CARE's VSLG methodology but not in entrepreneurship, called the Comparison Group), 2) focus groups with project beneficiaries 3) interviews with project stakeholders and 4) document review of project-related documentation. Data from a base-line survey, a mid-term survey has been used to assess effectiveness of the project, and the data collected from the Comparison Group and the project beneficiaries has been used to assess the impact.

The project combined CARE's and HiH's two delivery models by mobilizing new VSLGs and training these in VSLG methodology and financial linkages (CARE model), and thereafter providing them with entrepreneurship- and value chain training (HiH model). Additionally, already existing CARE VSLGs were carried over to the program and included in the trainings. The work was implemented through three local partner organizations.

The project has been successful in reaching its objectives; it has created additional jobs for more VSLG member and more women than planned. The project's beneficiaries have created enterprises in diverse sectors, including the service sector, and it is possible to see changes in livelihood resilience compared to the situation for the target group before the project started.

The project aimed at achieving five outcomes and has been very successful in achieving three of these:

- the project created close to 100,000 jobs,
- 84 percent of the project beneficiaries started enterprises (an increase from 33 percent at the time of the *Baseline Study*), and
- the target group has a higher level of income and invest more in fixed assets compared to at the start of the project.

All the results listed above are similar for those of the Job Creation project beneficiaries and the Comparison Group, i.e. it is a result which is valid for all persons included in a VLSG. However, the evaluation has been able to show that the project has had an impact by assessing where the Job Creation project beneficiaries have better results than the Comparison Group:

- Project beneficiaries' enterprises are more profitable. Women have higher profits than men.
- Project beneficiaries run enterprises in a sector untapped by the Comparison Group (service).
- Project beneficiaries save more.
- Project beneficiaries invest more in fixed assets.
- Project beneficiaries are more likely to hire staff (especially the E-VSLGs).
- Project beneficiaries assess their business skills higher.

The project is assessed to be relevant, not only in addressing the needs of the target group but also in terms of being in line with the government's visions for Rwanda's development. Beyond the project objectives and outcomes, the data collected shows an increase of self-confidence and self-esteem among beneficiaries compared to the situation at the start of the project.

The project management was, in its initial year, hampered by an unclear division of responsibilities and tasks between the project stakeholders. Based on the lessons learned from the first year, the project design was remodeled with more staff hired and a more intensive coordination and communication between HiH Eastern Africa and CARE Rwanda. The change meant that the project could reach its targets, however a large proportion of the project funds were also used for project management, reporting and monitoring. A conservative estimate is that at least 30 percent of the budget was spent on project administration and project management.

The project is assessed to be replicable if the project design establishes a more cost-efficient project management and monitoring system, but also includes time and activities to plan for the project inception, roll-out and phasing-out, and for the two implementing agencies to learn from each other's delivery models. Additionally, the Evaluation Team recommends that any future project must assess and track repayment rates and repayment capacity among the project beneficiaries in order to ensure that the project does not result in beneficiaries falling into debt as a result of the project. Any future project should also improve the gender-responsive delivery by planning for mitigating activities to support women who face initial resistance from their spouse when joining the VSLG.

Table of Contents

Executive Summary	2
1. Objectives of the Evaluation	7
2. Methodology	8
2.1 Data Collection:.....	8
2.2 Survey Sampling	9
2.3 Limitations in Data Collection and Analysis	9
2.4 Description of the Comparison Group	10
3. Structure of the Report	11
4. Background	13
4.1 Financial Inclusion	14
5. The HiH and CARE Job Creation Project.....	15
5.1 Description of the Project.....	15
5.2 Project Organization and Stakeholders	16
6. Findings	18
6.1 Effectiveness	18
6.1.1 Achieving the Project Objectives	18
6.1.2 Achieving the Project Outcomes	23
6.1.3 Reasons for Non-achievement of Targets	38
6.1.4 Effectiveness of Partnership, Training and Partner Structure	39
6.2 Efficiency	42
6.2.1 External Factors.....	42
6.2.2 Internal Factors.....	43
6.3 Relevance	44
6.4 Impact.....	46
6.4.1 Unintended Effects	50
6.5 Sustainability.....	51
6.6 Gender-responsive Delivery.....	53
6.7 Project Management.....	54
6.8 Replicability	57
7. Conclusions	60
7.1 Recommendations	62

List of Tables

Table 1	Persons interviewed
Table 2	Focus Group participation
Table 3	Main Source of Income
Table 4	Type of Enterprises
Table 5	Types of Agriculture and Livestock
Table 6	Main Source of Energy used to light the household
Table 7	Food Security
Table 8	Entrepreneurial Self-Confidence
Table 9	Proportion of Respondents engaged in Enterprises
Table 10	Hiring of staff
Table 11	Average number of employees among all entrepreneurs hiring others
Table 12	Average Profit compared to Gender and Education Level
Table 13	Average and Maximum Profit
Table 14	Average monthly profit per sector
Table 15	Trimmed mean of average monthly profit
Table 16	Average Savings
Table 17	Asset Accumulation
Table 18	Respondents who have accessed a loan during the last 12 months
Table 19	Participant Appreciation of Training Modules
Table 20	Sustainability Assessment
Table 21	Summary of Project Achievements

List of Figures

Figure 1	Project Organization
Figure 2	People who have done home improvements in the last 12 months
Figure 3	Engagement in enterprises vs. Education level
Figure 4	Purchase of new assets in the last 12 months
Figure 5	Respondents recording their business transactions and income
Figure 6	Respondents knowing how to establish a budget
Figure 7	Respondents knowing how to determine profit
Figure 8	Respondents who have accessed loans in the last 12 months
Figure 9	Proportion of respondents who benefited any financial services
Figure 10	CSO Membership
Figure 11	Government Participation
Figure 12	Project Monitoring and Evaluation System
Figure 13	Project Budget Analysis

Appendices

Appendix 1	Terms of Reference
Appendix 2	List of people interviewed and consulted
Appendix 3	List of documents reviewed
Appendix 4	List of VLSGs included in the survey
Appendix 5	End of Project questionnaire
Appendix 6	Description of the sampled population for the End of Project Survey
Appendix 7	Description of project stakeholders
Appendix 8	Detailed Tables of Survey Results
Appendix 9	SDA response to comments on the Draft Report

Abbreviations

AEE	African Evangelistic Enterprises
AMIR	Association of Microfinance Institutions in Rwanda
AJPRODHO	Youth Association for the promotion of Human Rights and Development
CIUK	CARE International UK
EAR Byumba	Anglican Church of Rwanda /Diocese of Byumba
EDF	Enterprise Development Facilitator
EDP	Enterprise Development Professional
E-VSLG	Existing Village Savings and Loan Group
FFI	Formal Financial Institution
FGD	Focus Group Discussion
GDP	Gross Domestic Product
HiH EA	Hand in Hand East Africa
HiH Int	Hand in Hand International
IPO	Implementing Partner Organization
M&E	Monitoring & Evaluation
MIS	Management Information System
MFI	Microfinance Institution
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
N-VSLG	New Village Savings and Loan Group
PAR	Portfolio At Risk
RWF	Rwandan Franc
SACCO	Savings and Credit Co-operative
SDA	Swedish Development Advisers
ToR	Terms of Reference
UNDP	United Nations Development Program
USD	United States Dollar
VAN	Village Agent Network
VSLG	Village Savings and Loan Group

1. Objectives of the Evaluation

This is an evaluation of the Hand in Hand (HiH) and CARE Job Creation Project. The project goal has been: to promote sustainable improvements in livelihoods, small business start-up and growth and employment opportunities for 100,000 poor and very poor people in the Eastern Province of Rwanda. The focus of the project was on women and the means was to create 3,000 Village Savings and Loan Group (VSLGs). The project focused on seven districts in the Eastern Province (Nyagatare, Kirehe, Gatsibo, Kayonza, Bugesera, Ngoma and Rwamagana) where CARE Rwanda already had mature VSLGs and established partnerships with local partner organizations.

The evaluation was commissioned by Hand in Hand International (HiH Int) and CARE Rwanda, who jointly developed the Terms of Reference (ToR) see Appendix 1. The evaluation is to cover the full project period from April 2013 to March 2016.

In line with the ToR, the evaluation should:

- Assess the level of achievement of project objectives,
- Determine appropriateness and extent of replication of the adapted project model, as well as determine factors that contributes to success or failure,
- Identify any gaps vis-à-vis project indicators and targets,
- Assess to what extent project beneficiaries have been empowered by the project,
- Assess the understanding, participation and ownership of the project model among project stakeholders,
- Identify specific value added and results attributable to specific components of training,
- Assess the project according to the DAC evaluation criteria of effectiveness, efficiency, impact and sustainably,
- Assess the project replicability and scalability,
- Assess the project management and monitoring, and
- Assess the level of gender-responsive delivery.

The data collection and analysis was carried out between June 6 and July 7, 2016 by Maria Ekström Johansson (Team Leader) and Simeon Runesha (Statistician). Quality control was carried out by Åsa Königson, hereinafter referred to as the Evaluation Team. The primary data collection was done between June 13-17 in Kigali and the seven districts of the Eastern Province in Rwanda, and on June 20 in Nairobi, Kenya.

2. Methodology

According to the ToR, the evaluation should assess progress against the expected results. It should furthermore determine the appropriateness and extent of replication of the project model.

The methods used to assess effectiveness, efficiency, impact, sustainability, replicability, project management and monitoring, and gender-responsive delivery were described in *SDA’s Inception Note* (dated 3 June 2016) and approved by HiH and CARE Rwanda. The methodology is briefly described below.

2.1 Data Collection:

The Evaluation Team has collected data in the following ways:

- Interviews with stakeholders. In total 22 persons have been interviewed including management and staff of CARE Rwanda and HiH Eastern Africa, and management and staff of CARE Rwanda’s three implementing partner organizations (IPOs). Please see Appendix 2 for a complete list of persons interviewed. The following table summarizes the persons interviewed:

Table 1: Persons interviewed

Organization	Persons
CARE Rwanda	7
HiH EA	4
CARE International	1
HiH International	3
Implementing Partner Organizations (IPOs)	5
Association of Microfinance Institutions s in Rwanda (AMIR)	1
Access to Finance Rwanda	1
Total	22

- Review of documentation. A list of documentation reviewed can be found in Appendix 3. The documentation reviewed includes project-related documentation (including narrative reports, external evaluations and assessments, data from CARE Rwanda’s management information system (MIS) and report assessment framework). Additionally, the Evaluation Team has analyzed relevant documentation, statistics and research on the financial sector in Rwanda, specifically focused on financial inclusion.
- End of Project Survey among beneficiaries and non-beneficiaries: To assess the impact on the target group, the Evaluation Team conducted a survey of 530 randomly selected project beneficiaries, all being members of a CARE VSLG. 430 of these were beneficiaries of the Job Creation Project and 100 were non-beneficiaries of the program (the Comparison Group). The survey questions were based on the questionnaires used in the Baseline Survey and the program *Mid-Term Review* (conducted in early 2015), and were approved by CARE and HiH as part of the *Inception Note*. A list of the VSLGs included in the sample and how these were selected can be found in Appendix 4. The questionnaire used for the End-of-Project

Survey can be found in Appendix 5. Appendix 6 contains a description of the sampled population.

- Focus Groups with beneficiaries: To complement the survey, five focus groups with project beneficiaries were carried out (two with women only, two with men only, and one mixed). In total, 43 beneficiaries participated. The following table summarizes the districts and the number of persons attending the focus groups:

Table 2: Focus Group participation

Focus Group per District	Persons attending
Gatsibo (men)	9
Ngoma (women)	8
Nyagatare (men)	7
Kirehe (mixed)	8
Rwamagana (women)	11
Total	43

2.2 Survey Sampling

The selection of the population to include in the survey (sampling) was done as follows:

- Out of the 530 respondents, 100 were selected from the Comparison Group (i.e. VSLG members who have not been included in the Job Creation Project).
- Out of the remaining 430 respondents, 60 percent were selected from new VSLGs created during the project (N-VSLGs) and 40 percent were selected from VSLGs already existing at the project start (E-VSLGs). The 430 respondents are referred to as project beneficiaries in this report.
- Thus, the total sample was divided proportionally as follows:
 - Comparison group: 100 respondents (18 percent)
 - N-VSLGs: 172 respondents (32 percent)
 - E-VSLGs: 258 respondents (49 percent)
- Additionally, the sampling was done proportionally in line with number of beneficiaries per project district.
- The selection of individuals within each VSLG was done with a random electronic selection. In each selected VSLG, the Evaluation Team interviewed a maximum of 11 persons.

2.3 Limitations in Data Collection and Analysis

During the data collection and analysis, the following limitations occurred:

- 1) While originally planned to be arranged by CARE Rwanda, the meetings with Microfinance Institutions (MFIs) providing financial services to the VSLGs in the Eastern Province were not organized and the Evaluation Team has therefore not interviewed any MFIs or accessed any data from the MFI sector.
- 2) The data collection has not included interviews with government representatives.
- 3) The End of Project survey combined questions from the *Baseline Survey* and the *Mid-Term Review*.
- 4) The baseline data provided to the Evaluation Team was incomplete and did not allow for a full comparison with the results of the End of Project survey. In some cases the

files did not contain any data (e.g. related to a number of the measures on livelihood and housing). In other cases, the data showed numbers which did not correlate with the written *Baseline Report* (e.g. in terms of person's active in agricultural activities). In some cases, the Evaluation Team has been able to retrieve some baseline data from the written *Baseline Report*, but it has not been possible to consequently compare all End of Project Survey data against baseline data.

- 5) The data collection has not included non-VSLG members. This is further discussed in the chapter below.

2.4 Description of the Comparison Group

The Comparison Group was randomly selected from CARE VSLG members who have not be part of the Job Creation project. These VSLGs had instead been formed and trained under a CARE project financed by Access to Finance Rwanda (the VSLG Scale Up Project). Thus, also the Comparison Group VSLGs had received training from CARE on VSLG methodology and financial linkages, but had not received the specific entrepreneurship training modules from HiH. The Comparison Group can therefore be used to measure the impact of the HiH training modules.

3. Structure of the Report

This report is structured in accordance with the evaluation questions and criteria established in the ToR. The next two chapters (Chapter 4 and 5) provide a background to the project and describe the activities and structure of the HiH-CARE partnership as well as CARE Rwanda's partnerships with IPOs.

Chapter 6 reports on the findings. The first sub-chapter on effectiveness (Chapter 6.1), presents data and draws conclusions as to the effectiveness of the project. *Effectiveness* is defined by DAC as “the extent to which the development intervention’s objectives were achieved...” The project results have been analyzed based on the CARE’s internal data from its Management Information System (referred to as MIS data), the program reports and the *Mid-Term Review Report*, and the End of Project Survey results. Focus groups have been used to gather information on more qualitative issues and understand reasons behind the results shown in the End of Project survey.

In the ensuing *efficiency* chapter (Chapter 6.2), focus has been on identifying internal and external factors affecting on the program. The findings are based on interviews with stakeholders (internal and external) and a review of program documentation. A limited context analysis has been performed (document review and interviews) to understand the main contextual happenings during the project lifetime. The focus group discussions have been used to identify effects on the beneficiaries.

The *relevance* of then intervention is assessed in Chapter 6.3. Relevance is analyzed as “The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities and partners’ and donors’ policies.”¹ In this chapter, focus has been on discussing the relevance to the target group (i.e. poor people in Eastern Province of Rwanda). The method has been to compare the project objectives and activities with data available on needs for the target population. Focus groups have been used to understand the usefulness and relevance of the trainings and program activities to the beneficiaries.

In Chapter 6.4, the current status of the project beneficiaries’ living situation (livelihood, income, small business activities, empowerment etc.) has been compared with the lives of the Comparison Group (non-beneficiary VSLGs). This makes it possible to draw conclusions as to the project’s impact. Additionally, the Evaluation Team has gathered and summarized common stories among beneficiaries, highlighting impact.

In the *sustainability* chapter (Chapter 6.5) the Evaluation Team has, based on interviews and project documentation, summarized the phasing out of the project and its remaining structures. Interviews have been performed with CARE and HiH at both the international and regional levels to understand their plans beyond the project period.

¹ OECD. Evaluating Development Cooperation.

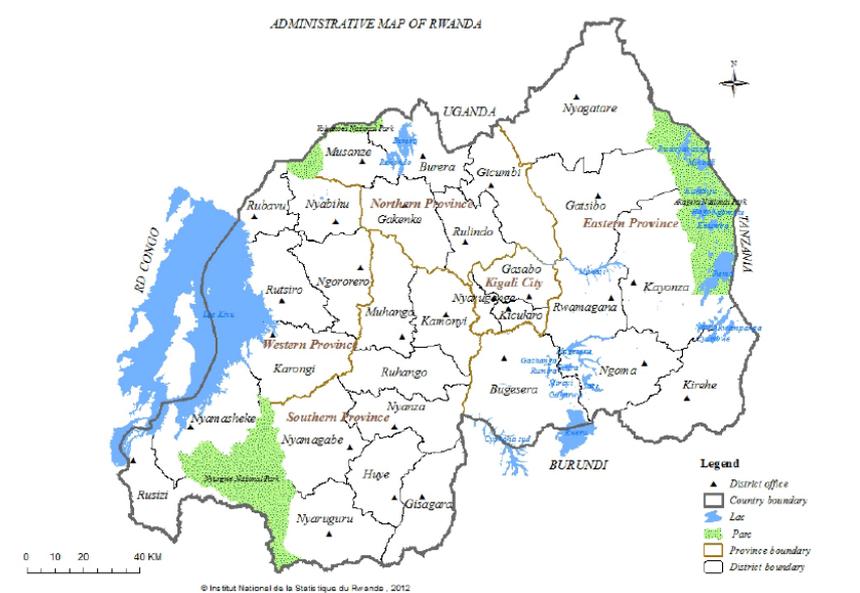
Gender-responsible delivery has been assessed in Chapter 6.6 by comparing the project design and reporting with best practice and toolkits on gender in microfinance. From interviews with the IPOs and the beneficiaries, the Evaluation Team has identified issues of specific importance for the women and assessed to what extent the project design answers to these.

The *Project Management* aspects of the project have been assessed in Chapter 6.7 based on reviewing project reporting on achievements and targets, an analysis of how the funding has been used and a wide range of interviews with staff and management involved in the project management and delivery at CARE Rwanda, CIUK, HiH International and HiH East Africa.

The report concludes in Chapter 6.8 on *Replication*, with key success factors and lessons learned. These were identified in interviews, from a review of project documentation and the End of Project survey which are used to identify crucial aspects needed for a successful replication.

4. Background

Rwanda is a landlocked country with limited natural resources and an economy focused on agriculture. 84 percent of the population lives in rural areas and 86 percent of the population are active in small scale agri-businesses². At the same time, agriculture contributes to only 33 percent of GDP³. With a population of 11.5 million (2016)⁴, Rwanda is the country with the highest population density in Africa. The population is young; 40 percent are 30 years or younger.⁵



Rwanda was ranked 163 out of 188 on UNDP's human development index in 2015, making it one of the world's least developed countries. Most households do not have access to water or electricity. At the same time, Rwanda has developed significantly in the last 22 years after the genocide. Between 2001 and 2015, Rwanda had an annual average GDP growth of about eight percent⁶ and life expectancy has increased with almost 20 years since 1998.

In a study, *Financial Inclusion in Rwanda* from 2016⁷, 13 percent of the adults self-assessed their households to belong to category 1⁸ (families who do not have their own dwelling and difficulties to meet basic needs) and 45 percent to category 2 (households renting a house but where the bread-winner does not have a full-time job).

Rwanda's long-term development goals are established in a country strategy called "*Vision 2020*". The main goal for Rwanda's government is to transform the country to a knowledge-

² "Financial Inclusion in Rwanda 2016", Finscope 2016

³ <http://www.rdb.rw/departments/agriculture.html>

⁴ www.statistics.gov.rw

⁵ "Financial Inclusion in Rwanda 2016", Finscope 2016

⁶ <http://data.worldbank.org/country/rwanda>

⁷ "Financial Inclusion in Rwanda 2016", Finscope 2016

⁸ According to the Rwanda government's classification of households into four categories.

based service-oriented economy. As part of this transformation, Rwanda aims to become a regional leader in information and communication technologies⁹.

4.1 Financial Inclusion

As part of the *Vision 2020*, the government has established a target to increase financial inclusion¹⁰ in Rwanda to 80 percent by 2017. In early 2006, a number of MFIs were closed down due to their in-ability to meet standards and regulations, leaving the country with a considerably lower number of financial institutions than earlier. The government has thereafter supported the establishment of Savings and Credit Co-operatives (SACCOs) throughout the country. From 2008 to 2013, the total number of MFIs increased from 125 to 492; 480 of these being SACCOs.

The *Financial Inclusion in Rwanda 2016* report by Finscope, valued the overall financial inclusion to 89 percent of adults compared to 72 percent in 2012 and 47 percent in 2008¹¹. Thus, the goal of the Rwandan government has been met. However, the *Finscope Report* further states that income, location, gender, age and education levels are determinants of the financial inclusion; high income, urban, settled men with a good education have a higher financial inclusion rate than poor women in rural areas with limited education. The *Finscope Report* concludes that the informal sector plays a significant role for the financial inclusion of women in rural areas and that women in rural areas and youth, are over-represented among the 11 percent of the population being financially excluded.

The 89 percent of the population being financially included uses both formal financial services (e.g. banks and MFIs) as well as informal services (e.g. Village Savings and Loan Groups/VSLGs). Many combine the use of both formal and informal mechanisms. 26 percent uses banks, 65 percent uses other formal financial services such as MFIs and SACCOs, and 72 percent uses informal mechanisms.

Since 2012, savings in formal institutions have increased significantly; from 36 percent in 2012 to 49 percent in 2016. This increase is mainly driven by the SACCOs and the use of mobile money savings. The mobile money services includes savings and transfer of funds, but there is so far no institution offering credits via mobile services (such as can be found in for example Kenya).

As of August 2015, the Rwandan banking sector consisted of 11 commercial banks, one development bank, one cooperative bank and four microfinance banks. Additionally, the microfinance sector contains 12 MFIs and 480 SACCOs (thereof 416 being so called Umurenge¹² SACCOs)¹³.

⁹ CIA fact book

¹⁰ The Consultative Group to Assist the Poor (CGAP) defines financial inclusion as: “households and businesses have access to and can effectively use appropriate financial services” (<http://www.cgap.org/topics/financial-inclusion>)

¹¹ “Financial Inclusion in Rwanda 2016”, Finscope 2016

¹² Umurenge is a political subdivision equivalent to a municipality.

¹³ “Assessment of the Rwandan Microfinance Sector Performance”, Microfinanza Rating, October 2015

5. The HiH and CARE Job Creation Project

5.1 Description of the Project

The Job Creation project was established with the aim to combine CARE's VSLG methodology with HiH's entrepreneurship and job creation approach. As part of the project design, CARE Rwanda and HiH commissioned a Baseline Survey of the target group of the project. The survey and complementing focus group discussions were conducted in October 2013 and included both VSLG members and non-VSLG members (in total 600 individuals).

The Job Creation Project started in April 2013 and ended in March 2016 with an initial budget of USD 3.2 million which, in the last project year, was reduced to USD 2.5 million. In line with CARE's partnership model, a substantial part of the project activities (the VSLG mobilization and training of VSLG groups) was done by three Rwandan organizations (IPOs) with local presence;

- African Evangelistic Enterprises (AEE),
- Anglican Church of Rwanda /Diocese of Byumba (EAR Byumba), and
- the Youth Association for the promotion of Human Rights and Development (AJPRODHO).

The project goal was: "To promote sustainable improvements in livelihood resilience and diversity, small business start-up and growth and employment opportunities for 100,000 poor and very poor people, at least 75 percent whom are women, in the Eastern Province of Rwanda, through 3,000 VSLGs." Based on the project goals, project objectives and outcomes were defined (see ToR in Appendix 1).

The project focused on the seven districts in the Eastern Province (Nyagatare, Kirehe, Gatsibo, Kayonza, Bugesera, Ngoma and Rwamagana) where CARE Rwanda already had a pool of mature VSLGs established and partnership with IPOs. The IPOs had experience from training and creating VSLG groups for CARE Rwanda and had good relationships with the local governments in the districts. Additionally, while the districts are poor, they are not the poorest in Rwanda, which means that the VSLG groups would include also beneficiaries with some level of means and skills.¹⁴

The project implemented the following activities:

- 1) The creation of new VSLGs,
- 2) Training of new VSLGs on VSLG management and financial literacy,
- 3) Enterprise Development and Business Training for VSLGs, based on Training of Trainers (ToT) conducted by Hand in Hand East Africa (HiH EA),
- 4) Connecting VSLGs to formal financial structures such as MFIs or SACCOs,
- 5) Providing training in value chain management and creating a mentorship program where entrepreneurs from the project VSLGs were linked to experienced local entrepreneurs.

¹⁴ In the microfinance sector, this segment is often referred to as the "entrepreneurial poor"

CARE Rwanda committed to carry over 40,000 VSLG members from existing CARE VSLGs (E-VSLGs) to this project. Additionally, 60,000 new beneficiaries were to be included in new VSLGs (N-VSLGs), to be created in the program.

The VSLG is a voluntary group of 20-30 participants that save together and borrow from their joint savings. In this way, the VSLG members are able to access both loans and save without the involvement of an external financier. Loans are paid back to the VSLG with interest, which allows the VSLG funds to grow. The group activities are run in cycles of 9-12 months. Thereafter, the accumulated savings and loan profits are distributed back to the members in a so called “share-out”. The groups meet regularly (weekly or fortnightly) to handle the VSLG transactions.

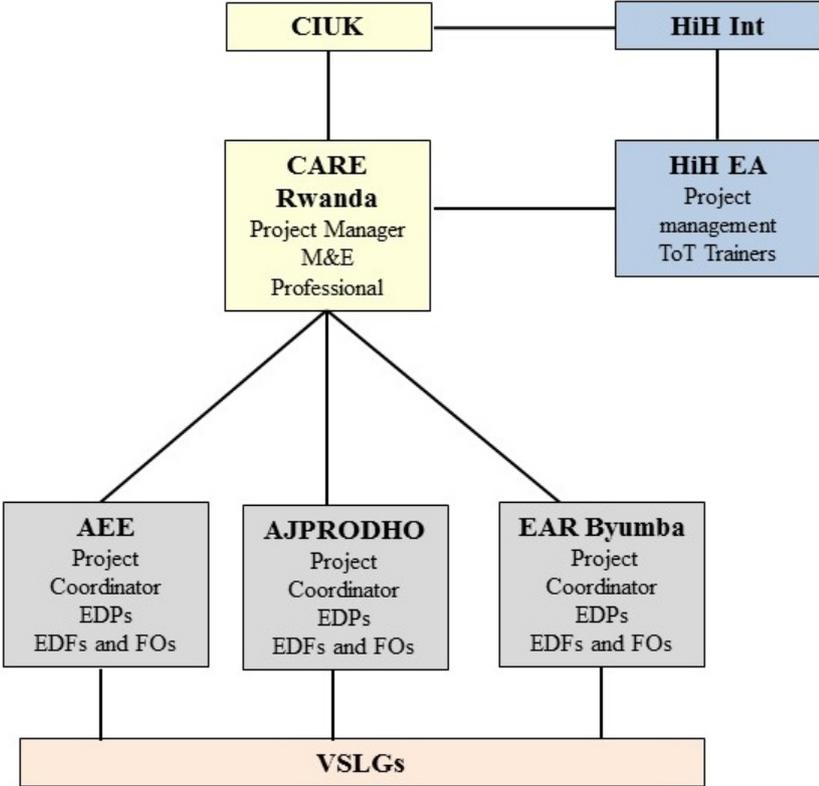
CARE Rwanda provides training to any new VSLG groups created by them. The training focuses on financial literacy and VSLG management. Once the VSLG has finalized one loan cycle it “graduates” and CARE Rwanda remains in contact with the VSLG through a so called “Village Agent”, who is trained by CARE Rwanda and used as a channel to spread information and support the VSLG members during new loan cycles. The Village Agent is selected among the VSLG members and is a voluntary position.

5.2 Project Organization and Stakeholders

The project was set up in three levels;

- Funder level: HiH International and CARE International UK (CIUK),
- Implementing Agency level: CARE Rwanda and HiH Eastern Africa (HiH EA),
- Field level: the three IPOS: AEE, EAR Byumba and AJPRODHO.

Figure 1: Project Organization



A detailed overview of the project stakeholders and their roles can be found in Appendix 7.

6. Findings

6.1 Effectiveness

6.1.1 Achieving the Project Objectives

The Job Creation Project had three objectives:

- Promote employment opportunities for 100,000 (of which 75 percent were to be women) poor and very poor people in the Eastern Province of Rwanda through 3,000 VSLGs.
- Promote sustainable improvements in livelihood resilience and diversity.
- Develop and communicate a sustainable model for job creation.

Employment opportunities

The project data shows that project reached 129,816 beneficiaries in 4,390 VSLGs, of which 80 percent were women. This shows that the first of the three project objectives was reached.

Livelihood resilience and diversity

According to the Baseline Survey, a very small proportion of people had its main income from other sources other than agriculture; petty trade/commerce was the second main source of income with 1.2 percent only. The table below shows that, while agriculture remains the dominant source of income, the project beneficiaries have diversified their sources of income, with trade as an income source has significantly increasing (from 1.2 percent to 19.4 percent if including sales of agriculture output).

Table 3: Main Source of Income

Main source of income	Base line survey results* (%)	End of Project survey results (%)
Employee Formal Sector (non-Agriculture)		0.8
Employee Informal Sector (non-Agriculture)		0.9
Agricultural worker		3.4
Crop Producer		69.1
Selling Agriculture Output		7.7
Animal husbandry		1.9
Milk Producer		0.2
Pastoralist		0.2
Petty Trade	1.2	11.7
Making Handcrafts	0.2	1.9
Providing Services/Repairs		1.9
Remittances from community		0.4
Total		100.0

*Baseline data incomplete.

Analyzing the types of enterprises the beneficiaries are engaged in, the table below confirms that new businesses created are diversified with less than 60 percent of the project beneficiaries engaged in agriculture, and more beneficiaries engaged in trade in goods and services:

Table 4: Type of Enterprises

VSLG Types	Type of Enterprises (in percent)			
	Agriculture	Livestock/ Fishing	Trade in Goods	Trade in Services
E-VSLG	48.9	7.6	36.4	7.1
N-VSLG	56.3	10.2	28.9	4.7
Women	49.0	8.9	36.6	5.5
Men	63.0	9.0	21.0	7.0
Total project beneficiaries	52.6	8.9	32.6	5.9
Women	37.5	13.5	50.0	0.0
Men	36.8	13.2	50.0	0.0
Total Comparison Group	37.0	13.0	50.0	0.0

However, the Comparison Group (who have not taken part in the Job Creation Project) show a similar level of diversification, even having the lowest rate of the traditional agricultural enterprises.

A difference between the project beneficiaries and the Comparison Group can be found in the broader range of enterprises created; while some of the Job Creation project VSLG members are active in the service sector, none of the Comparison Group members work with services. In the focus groups, examples given on service enterprises included bicycle transport services and bicycle rental service. One participant had started a restaurant.

Similar to the results of the survey, the focus group discussions indicated that new businesses mainly include trade in agricultural products (e.g. trading tomatoes between two markets), or processing agricultural products (e.g. producing local banana beer).

“The group helped me to invest in several small activities which together helped me to reimburse” (VSLG member in Nyagatare)

“Before, we used to live by farming only, but because of getting loans through the VSLG, small businesses have grown positively” (VSLG member in Kirehe)

Among the project beneficiaries, more men than women are active in agriculture, while women are more active in trading of goods. Interestingly, the Comparison Group does not show the same gender differences between different types of enterprises.

Agriculture is the most common type of enterprise among the Job Creation project beneficiaries. A closer look at the types of enterprises shows that it, to a large extent, includes production of cereals and grains.

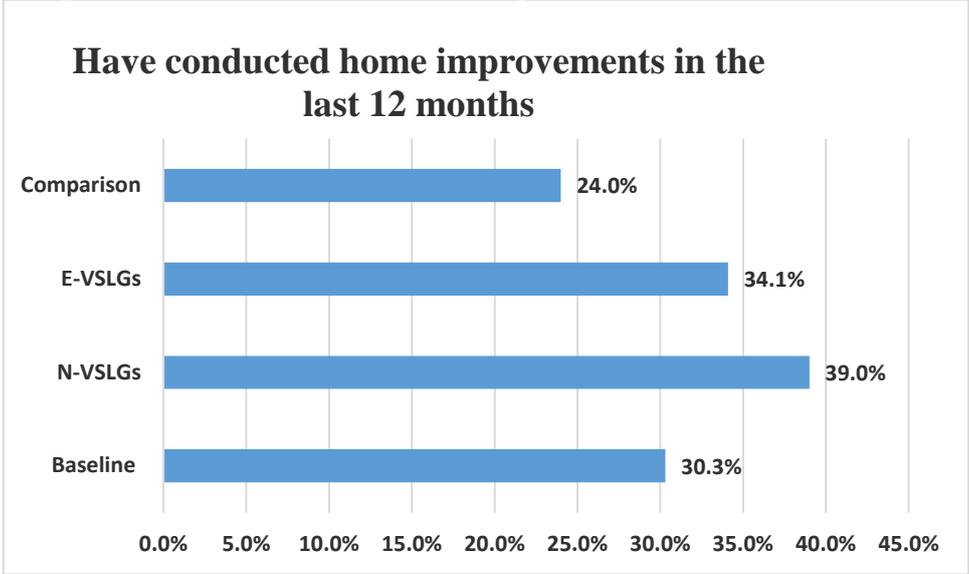
Table 5: Types of Agriculture and Livestock

Types of Agriculture (in percent)	E-VSLG	N-VSLG	Comparison Group
Crops/Nursery	3.9	0.5	0.0
Production of cereals and grain	49.2	40.2	28.3
Root tuber crops	3.1	8.2	8.7
Types of Livestock			
Large animals	1.6	3.8	4.3
Small animals	8.6	3.8	8.7

Thus, it can be concluded that the range of enterprise-types is broader for the project beneficiaries but the Job Creation project has not had an impact on the overall income diversification. There is little difference between the Comparison Group and the project beneficiaries when it comes to relying on agricultural enterprises, and the Comparison Group even has a higher number of enterprises in trade than the project beneficiaries. However, the project seem to have helped more beneficiaries engage in/become aware of new business opportunities in the service sector compared to the Comparison Group.

There is limited data on livelihood indicators in the baseline data to compare against the End of Project survey results. As a proxy the Evaluation Team has analyzed investments in home improvements (i.e. investments such as buying a new door, fixing a broken roof or improving the kitchen) and the main sources of energy in the household to assess changes in the living standard of the beneficiaries. The table shows that the Job Creation project VSLGs invest more in home improvement than at the time of the baseline survey. The project beneficiaries have also invested significantly more than the Comparison Group.

Figure 2: People who have conducted home improvements in the last 12 months



Analyzing the source of energy to provide light in the household as an indicator of living standard, the Evaluation Team has found that the use of electricity has increased significantly.

The difference is most significant for the mature E-VSLGs. This is important since the access to electricity means an investment in hardware needed to install electricity as well as purchase of electric lamps, possibly electric stoves etc. has been made.

Table 6: Main Source of Energy used to light the household

	Main source of energy used to light the household (in percent)					
	Candle	Lantern lamp	Wood	Traditional Kerosene candle	Gas	Electricity
E-VSLG	14.0	20.9	32.6	7.8	0.0	24.8
N-VSLG	7.0	34.3	21.5	22.7	0.0	14.5
Total project beneficiaries	11.2	26.3	28.0	13.7	0.0	20.7
Comparison Group	9.0	33.0	20.0	9.0	1.0	28.0
Baseline	N/A	18.0	4.2	46.5	N/A	3.4

However, in a comparison of the energy use between the Job Creation project VSLGs and the Comparison Group it is the Comparison Group VSLG members who have the highest access to electricity. Thus, the Job Creation project VSLG members have not had a higher improvement in its access to electricity than other VSLG members.

As seen in the table below, food security remains an issue for the project beneficiaries.

Table7: Food Security

	Percentage of households that have not produced sufficient grain during the past harvest		Percentage of households who spent a whole day without eating during the last six months	
	Baseline	End of Project Survey	Baseline	End of Project Survey
Project Beneficiaries				
Men	72.8	75.8	16.1	11.1
Women	82.9	79.4	32.2	14.1
Comparison Group				
Men		69.2		9.0
Women		81.8		9.1
Size of Household				
Less than 3 persons	80.0	33.3	28.6	0.0
4-5 persons	75.1	66.7	20.6	37.5
6 persons and over	73.5	71.6	15.5	9.2

The survey respondents were asked to assess the situation in the household they belong to. When looking at the percentage of households not producing sufficient grains for the family, a gender analysis shows little difference between the Baseline and the End of Project survey data. Instead, improvement is mainly seen when clustering the respondents according to family size; among smaller families of up to three persons the decrease is 47 percentage points.

The number of families spending a whole day without eating in the last six months has, clearly decreased. Here, the results have especially improved for women respondents; with a decrease from 32.2 percent of female project beneficiaries having gone without food to 14.1 percent. Among smaller households of up to three persons, this indicator has gone been reduced completely. Thus, the food security situation has improved for the target group, especially for women. It should however be noted that there is little difference between the project beneficiaries and the Comparison Group and that the End of Project Survey was conducted at a time where there had been better harvests than at the time of the Baseline Survey, which may have influenced the positive result. However, it can be concluded that the target group, both those included in the Job Creation project and those being part of the Comparison Group, have reported improvements in food security.

In terms of sustainability of jobs created, the End of Project survey shows an impact on the entrepreneurs’ confidence of remaining in business; the number of respondents confirming that their enterprises will still be active in three years is clearly higher than in the comparison group.

Table 8: Entrepreneurial Self-Confidence

	Confirming that their enterprise will still be active in three years (in percent)	They have sufficient skills to continue their business without support from others (in percent)
E-VSLG	90.7	20.2
N-VSLG	96.5	22.7
Total project beneficiaries	93.0	21.2
Comparison group	86.0	19.5

At the same time, only one out of five respondents believe that they have sufficient skills to continue the business without support from outside. From the focus groups, the Evaluation Team identified two main areas of further support needed:

- 1) When asked what technical skills they need, participants of three focus groups raised their need to gain additional technical skills:

“People here need vocational training to learn professions other than farming. There are no vocational schools nearby” (Male VSLG member in Nyagatare)

“CARE can introduce other section of small projects in mushrooms farming, soap manufacturing, tissue decorating” (Woman VSLG member in Rwamagana)

- 2) Participants of three focus groups raised the need for more training in accounting and recording/managing money:

“We need more trainings in accounting” (VSLG member in Kirehe)

“We need more formal training on how to manage and record money” (VSLG member in Gatsibo)

Conclusions

The project has to a large extent achieved its objectives; livelihood resilience has improved, the project has reached its targets in terms of outreach, and the jobs created are judged to be sustainable by the beneficiaries. In terms of livelihood diversity, the beneficiaries’ dependence on agriculture as main income has diminished and the type of enterprises created are of different types (more diversified). However, while improvements in terms of livelihood diversity and resilience have been reported, these improvements are found to not be significantly different from those of the Comparison Group members and can therefore not be attributed specifically to the Job Creation project.

6.1.2 Achieving the Project Outcomes

The project has five defined project outcomes related to

- creation of jobs,
- increase in assets,
- income and savings,
- increased financial literacy and business skills and
- linkage of VSLGs to formal financial institutions.

This chapter presents the results for each outcome.

Outcome 1: Creating at least 80,000 jobs¹⁵

All available data shows that 99,581 jobs were created and the goal of 80,000 jobs has been achieved. The End of Project survey indicates that 82.8 percent of VSLG members are engaged in an enterprises. This is a remarkable increase compared to the baseline, where only 33 percent of VSLG members (and 6 percent of non-VSLG members) were engaged in an

¹⁵The project uses ILO’s definition of a job: “a set of tasks and duties executed, or meant to be executed, by one person;¹⁵”. Self-employment is being defined as a job.

enterprise. If extrapolating the survey results on the total number of project beneficiaries (i.e. calculating 82.8 percent of 129,816 project beneficiaries being active in 1.23 enterprises each), the total number of enterprises could be as much as 132,210.

Table 9: Proportion of Respondents engaged in Enterprises

Proportion of respondents engaged in enterprises (in percent)			
	Baseline	End of Project Survey	Average number of enterprises managed by VSLG members
Non-VSLG members	6.0		
E-VSLGs	33.0*	83.7	1.21
N-VSLGs		81.4	1.25
Total project beneficiaries		82.8	
Comparison Group		82.0	1.27
Gender			
Men	42.6	82.4	1.32
Women	29.5	82.7	1.21

*The baseline does not differentiate between N-VSLGs and E-VSLGs.

While the Baseline Survey showed a significant gender gap with men being more active in enterprises, the End of Project survey shows an equal enterprise-engagement level of women and men. Those members that are members in a VSLG but not engaged in an enterprise either borrow for other purposes (a wedding, household expenses etc.) or use the VSLG as a savings mechanism only. VSLG members that are involved in enterprises are involved in more than one, on average 1.23 enterprises.

The stories told by the participants in the focus groups show examples of entrepreneurial activities:

“With the means from the group, I bought a bicycle and started a transport business. Now I earn RWF 5000/month” (male VSLG member in Nyagatare)

“I buy woods from old houses that are being torn down and sell as firewood” (women VSLG member in Ngoma)

“With CARE’s financial assistance, I sell sorghum beer and the profit is used for satisfying domestic needs” (women VSLG member in Rwamagana)

However, the End of Project survey shows that there is virtually no difference between the Job Creation project VSLG members and the Comparison Group VSLG members ability to start up an enterprise. Even if the focus groups have highlighted the usefulness of the entrepreneurship training in the program, the data from the survey indicates that the entrepreneurship training did not had a major influence on the decision to start an enterprise, nor on the number of enterprises each VSLG member engaged in. Instead, joining the VSLG and the introduction training is what triggers enterprise start-ups.

Substantially more VSLG members are hiring compared to the non-VSLG members (at time of the baseline study): 38.6 percent of project beneficiaries hire compared to the baseline’s 11 percent. The Comparison Group has also improved compared to the baseline, but the project VSLGs are performing even better.

Table 10: Hiring of staff

Comparison category	Baseline (in percent)	Hired at least one person (in percent)
E-VSLG	11.0*	41.1
N-VSLG		34.9
Total project beneficiaries		38.6
Comparison Group		33.0
Gender		
Men	7.0	52.7
Women	5.0	32.6

*The baseline does not differentiate between N-VSLGs and E-VSLGs

Jobs: 38.6 % 82.8% 129000

The maturity of the VSLGs influence hiring practices; more E-VSLG members hire than both the N-VSLG members and the Comparison Group members. Thus, the survey shows that the Job Creation project has had a positive impact for mature VSLGs on creating jobs for others.

The gender gap between men and women entrepreneurs who hire staff is significant and has increased since the baseline; the End of Project survey shows that only 33 percent of female VSLG members hire while 53 percent of male VSLG members hire.

As seen in the table below, employments are mainly part-time. Those that hire, hire more women than men.

Table 11: Average number of employees among all entrepreneurs hiring others

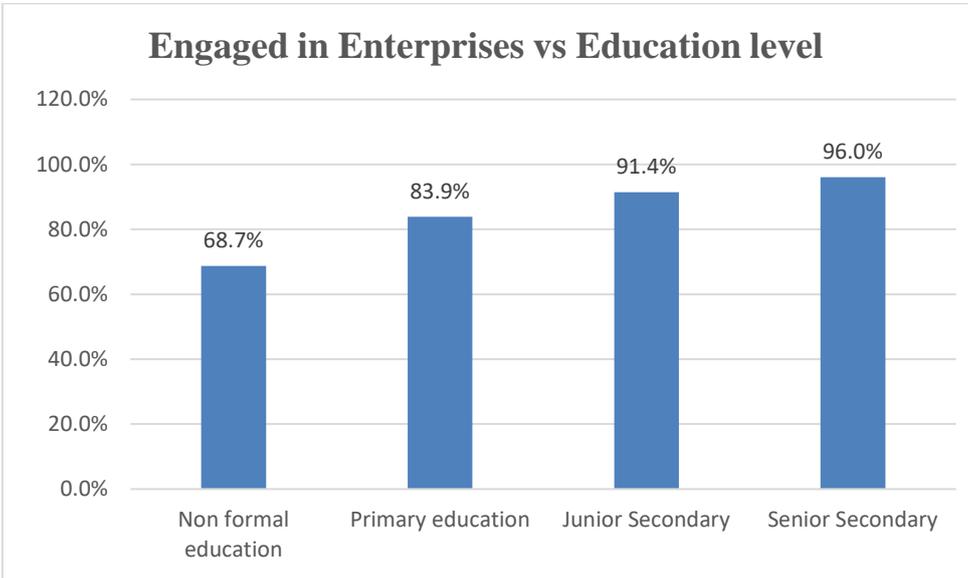
Comparison category	Male full time employed	Female full time employed	Male part time employed	Female part time employed
E-VSLG	0.42	0.44	2.55	3.69
N-VSLG	0.36	0.83	2.20	3.40
Total project beneficiaries	0.39	0.51	2.43	3.58
Comparison Group	0.33	0.48	1.73	2.18

Combining the data from Tables 10 and 11 yields additional insight into the potential impact of the program on job creation. Table 10 shows that 38.6 percent of project group members hire workers, while Table 11 shows that these members hire an average of 0.91 full-time workers and 6.01 part time workers. This suggests average hiring across all project members

of 0.35 full-time workers and 2.32 part-time workers. Equivalent calculations for the comparison group suggest average hiring of 0.27 full-time workers and 1.51 part-time workers. The differences in hiring rates between the project and comparison members, and the overall number of members reached by the project (129,816) together imply that the HiH training led to 10,385 additional full-time jobs and 105,150 part-time jobs.

The education level is another hampering factor where VSLG members without formal education are somewhat less involved in enterprises. A larger proportion of them use the VSLG for savings purposes only or take VSLG loans for household needs. The difference between individuals with junior and secondary education in the starting of enterprises is not significant, see graph below.

Figure 3: Engagement in enterprises vs. Education level



Conclusions:

The project has achieved the outcome target regarding jobs created. The percentage of VSLG members involved in enterprises has increased from 33 percent to 82.6 percent, while the VSLG members hiring someone have increased from 11 percent to 38 percent. The Comparison Group VSLGs shows the same level of enterprise activity as the Job Creation project VSLGs, i.e. there is a limited impact of the project on business creation. The previously existing gender gap where men were more likely to manage an enterprise than women has been closed. However, male entrepreneurs are still more likely than women to hire others. The following table summarizes the findings.

Outcome 1	Results
An effective and integrated job creation model will create at least 80,000 jobs	99,581 jobs created 69,510 enterprises created 82.6 percent of the project VSLG members are engaged in an enterprise. The gender gap between men and women managing enterprises is closed.

Outcome 2: Increase of household income, savings and asset accumulation

Income level:

The baseline data received by the Evaluation Team does not provide any information on the average income level at the project start. The Evaluation Team has therefore focused the analysis on profit reported from the enterprises. This is a simplification equating profit with income, but for a small enterprise this is possibly true.

The baseline survey reported that male entrepreneurs generated more profit than women. The End of Project survey shows that enterprises managed by women now generally have a higher profit than those managed by men: USD 55.5 compared to USD 38.8.

Table 12: Average Profit compared to Gender and Education Level

Average Profit compared to Gender and Education Level		
Education level	Average profit (in USD)	
	Men	Women
Non-formal education	43.5	23.0
Primary school	37.5	49.0
Junior Secondary	40.0	42.0
Senior Secondary	34.0	108.0
Overall	38.8	55.5

The higher the education level, the more profit the women make. This may be due to the type of enterprises higher educated women engage in. The educational level does not seem to have had any result of profits of male-run enterprises.

When comparing the Job Creation project VSLGs with the Comparison Group VSLGs, there is a significant difference in monthly enterprise profit. The more mature a VSLGs, the higher the profit with E-VSLG businesses having, on average, 75 percent higher profit than those of the Comparison Group. It is also among the Job Creation Project VSLGs that the top-performers can be found; the E-VSLG entrepreneur with the highest profit earns three times as much as the top performer in the Comparison Group:.

Table 13: Average and Maximum Profit

VSLG types	Gender	Monthly profit from enterprises (in USD)	
		Average profit	Maximum profit by the highest earning entrepreneur in each group*
E-VSLGs		49	987
N-VSLGs		45	658
Total project beneficiaries		49	822
Gender (project beneficiaries)	Women	52	987
	Men	40	272
Comparison Group		28	329
Gender (Comparison Group)	Women	30	329
	Men	26	329

*In the Comparison Group, two entrepreneurs had the highest reported profit (one woman and one man).

Interestingly enough, the N-VSLG profit level is almost as high as the E-VSLGs, indicating that the Job Creation Project activities give a rapid effect on profitability also for less mature VSLGs.

In the Comparison Group, there is no difference between male of female-run enterprises regarding profitability, the Job Creation project beneficiaries show a quite different result; both in terms of average and maximum profit, women are reporting higher results. The best performing women entrepreneur earns more than 3.5 times the monthly profit of the best performing male entrepreneurs. The table above indicates that the Job creation project has had a substantial impact on the profit level of the enterprises; those entrepreneurs included in the Job Creation project have a significantly higher profitability. The Job Creation project has supported its beneficiaries to become better entrepreneurs. This is especially true when it comes to women.

When taking a closer look at the types of enterprises, the highest mean profit is found in services (USD 100), while the lowest mean is found in trade of goods (USD 37.7).

Table 14: Average monthly profit per sector

Monthly profit per enterprise sector		Profit (in USD)
Agricultural activities	Mean/average	43
	Minimum	0
	Maximum	658
Livestock and Fishing	Mean/average	75
	Minimum	4
	Maximum	987
Trade in Goods	Mean/average	38
	Minimum	0
	Maximum	263
Services	Mean/average	100
	Minimum	6
	Maximum	821

In two of the sectors, the top performing entrepreneurs have had a high impact on the average profit of the group. When deducting the five percent highest performing entrepreneurs (called “trimmed mean” in the table below) from each sector, the mean profit decreases substantially in the field of livestock and fishing (from USD 75 to USD 39) and in services (from USD 100 to USD 60), while it remains fairly stable in trade in goods and agricultural activities.

Table 15: Trimmed mean of average monthly profit

Average monthly profit per enterprise sector		Profit (in USD)
Agricultural activities	Mean/average	43
	Trimmed Mean	31
Livestock and Fishing	Mean/average	75
	Trimmed Mean	39
Trade in Goods	Mean/average	38
	Trimmed Mean	31
Trade in Services	Mean/average	100
	Trimmed Mean	60

A more detailed overview, including data on the standard deviation, can be found in Annex 7.

Savings

The project target was to increase the savings of VSLG members, both the total aggregated amount and the average savings per member. Having savings at hand is an important aspect of livelihood resilience as it offers a possibility to cover unexpected emergency costs e.g. medicines. According to CARE's MIS data, the total aggregated savings of the VSLGs¹⁶ in the project has increased from USD 1.217,692 to USD 3.152,623¹⁷. The focus groups indicated that joining a VSLG was important for establishing a savings culture; in four out of five focus group discussions the participants highlighted that they had learned how to save and set money aside after joining the group.

The End of Project survey asked respondents a) how much they saved with the VSLG, b) if they saved money in formal financial institutions and c) in which institutions they saved money. The results show that, on average, project beneficiaries had between USD 23 and USD 46 saved and of that, between USD 3.5 and USD 6.2 were saved with the VSLG at the time of the End of Project Survey.

Table 16: Average Savings

Average Savings/ VSLG member at the time of the End of Project Survey			
	Average Savings in the VSLG/member (in USD)	Average savings in financial institutions (excluding the VSLG, in USD)	Total savings average (USD)
E-VSLG	3.5	19.9	23.4
N-VSLG	6.2	40.1	46.3
Total project beneficiaries	4.7	32.1	34.8
Comparison Group	3.2	17.9	21.0
Gender			
Men	4.0	26.5	30.5
Women	4.4	29.3	33.7

According to the project MIS, average saving per individual member has decreased slightly during the project period, from USD 28 to USD 26. Thus, the increase in total aggregated savings in the VSLGs is due to the expansion of the number of VSLGs rather than individual members saving more and the target has only partially been achieved.

What can be concluded from the End of Project survey is that the Job Creation project VSLG members, on average, save more than the Comparison Group VSLG members. Women save slightly more than men, but there is no major difference between the genders. A majority of the savings are kept in a SACCO or another financial institution. This is positive, ensuring that the savings are kept in a safer place than the VSLG box.

¹⁶ As of 31 December 2015.

¹⁷ The figure is a total figure including all Job Creation VSLG members and has not been weighted against the loan cycles of each VSLG.

Asset Accumulation

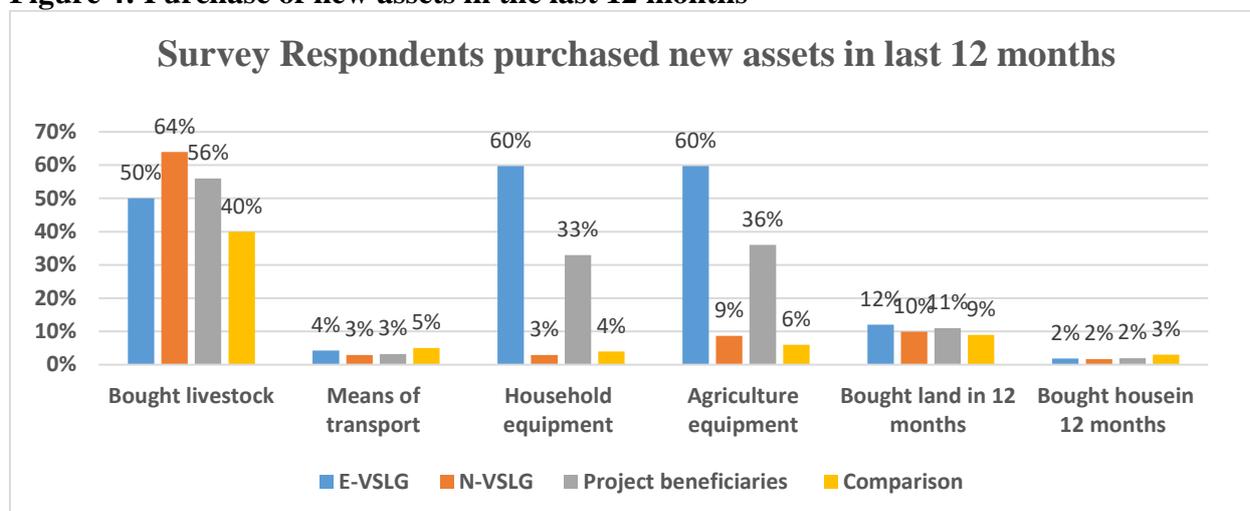
The project has reached its target of 60 percent of the participants purchasing assets in the last 12 months; for the Job Creation project VSLGs, the survey showed that 79 percent of participants purchased assets such as livestock, agriculture equipment and land. This is a doubling of the baseline indicator.

Table 17: Asset Accumulation

	Average amount invested in assets in the last 12 months (USD)	Percentage of respondents investing in assets in the last 12 months (percent)
E-VSLG	124	93
N-VSLG	337	69
Total project beneficiaries	226	79
Comparison Group	219	49
Baseline	48	40

To a large extent, this increase can be linked to the Job Creation Project. Only 49 percent of the Comparison Group had invested in assets during the same period, i.e. a slight increase from the baseline. The type of assets purchased are seen in the graph below:

Figure 4: Purchase of new assets in the last 12 months



Project beneficiaries have invested in livestock to a larger extent than the Comparison Group. What stands out, though, is the E-VSLGs investments in household equipment and agricultural equipment. A possible explanation for this could be that the first purchase is livestock (as evidenced by the N-VSLG member’s purchases of livestock).

The evaluation has shown that the Job Creation project beneficiaries start more profitable enterprises compared to the Comparison Group. It has also become visible that the project beneficiaries have not increased their average amount of savings. Instead, the profits have

been invested, to a large extent in activities or items likely to bring the investor an increased income (e.g. livestock or agriculture equipment).

Conclusions The project has reached its targets in terms of increasing aggregated savings, but the results show a slight decrease in the average amount of savings per beneficiary. Instead, the profit accumulated from the enterprises appears to have been invested in assets, where almost 80 percent of the Job Creation project beneficiaries have invested in either livestock, agriculture- and household-equipment. Project targets related to the increase in income and asset accumulation have thereby been met. The following table summarizes the findings.

Outcome 2	Results
Increase of household income among VSLG members	<ul style="list-style-type: none"> The Job Creation Project VSLGs have a higher average income (USD 47) from enterprises compared to the Comparison Group (USD 28)
Increase of aggregated and average savings among VSLG members	<ul style="list-style-type: none"> Aggregated savings of all VSLGs increased by 159 percent. Average savings per VSLG member decreased slightly from USD 28 to USD 26.
Increase of asset accumulation among VSLG members	<ul style="list-style-type: none"> The average investment in assets by VSLG members in the last 12 months increased from USD 48 to USD 231.
60 percent of the beneficiaries have purchased assets during the last 12 months.	<ul style="list-style-type: none"> 79 percent of the beneficiaries have purchased assets during the last 12 months.

Outcome 3: Increase of financial literacy skills among 70,000 VSLG members

CARE Rwanda’s three IPO’s have trained around 75,000 people in financial literacy. The project has used this measure to track the achievement regarding “improved financial literacy” skills in its MIS system. Using this indicator assumes that all participants have a) an ability to understand the training materials (also the illiterate participants), and b) the skills to apply the training in real life situations. The results under Outcome 1 shows that while educated women earned higher profits than men, low-educated women have not manage to get the same results. One aspect for CARE and HiH to analyze further would be to see if the training was more difficult to apply for this group of (often illiterate) low-educated women. Thus, the project would have gained from establishing a few project indicators related to the increased skills of the persons, not only number persons trained.

The *Training Manual* contains a short post-training feedback sheet. This has, however, not been used in the project. Instead, CARE Rwanda conducted a training assessment in January 2015, where they asked training participants to rate the training topics according to the effects. Increasing the profit of the enterprise has been the highest rated effect. The second rating was higher confidence as an entrepreneur, which is one of the targets under this outcome.

In the focus groups, the participants listed a number of financial literacy items they felt that the project supported them in (listed in order of frequency):

- 1) “Establishing a savings culture and ability to start saving on a regular basis”,
- 2) “Money management and ability to separate private costs from business costs”,
- 3) “Ability to handle loans and repay in time”, and
- 4) “Set financial and business goals”.

Conclusion

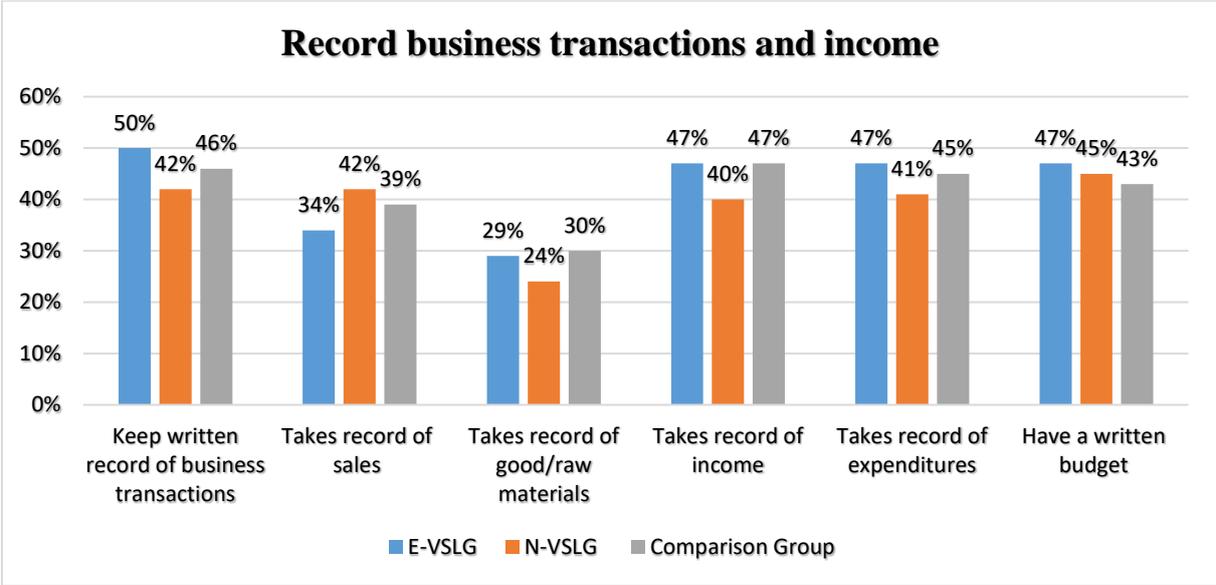
The project has trained more beneficiaries in financial literacy than the target, but has only had limited monitoring of the improvement of financial literacy skills. There is limited data available to support a conclusion as to the target group’s financial knowledge. According to the focus groups, the training has resulted in establishing a savings culture and improved confidence as an entrepreneur. The following table summarizes the results.

Outcome 3	Results
By the end of the project, there will be improved financial knowledge, skills and confidence amongst VSLG members with 70 percent (70,000) of the target group with improved financial literacy skills.	<ul style="list-style-type: none"> • 75,483 trained in financial literacy • Limited evidence of improved financial knowledge. • Effects of the training were: 1) increased confidence and self-esteem 2) more profit 3) higher confidence as entrepreneur 4) increased savings.

Outcome 4: Increase of enterprise skills among 70,000 VSLG members and 60,000 VSLG members conducting enterprises (70 percent and 60 percent of beneficiaries respectively)

Of the project beneficiaries, 64 percent or more have started enterprises, which is above the target of 60 percent. While the project MIS system states that 64.3 percent of project beneficiaries have started enterprises, the End of Project survey shows a rate well over 80 percent. To identify the impact on business (and financial literacy) skills, the Evaluation Team has gathered indicators from the survey related to documenting a budget (i.e. a written plan for your income, costs and sales in the next time period), accounting and determining profit, and has compared these to the Comparison Group.

Figure 5: Respondents recording their business transactions and income



The table shows that the difference in the business-related skills do not differ significantly between the project beneficiaries and the Comparison Group. However, when being asked to assess their ability to determine budget and profit, the Job Creation project VSLGs asses their competence higher than the Comparison Group:

Figure 6: Respondents knowing how to establish a budget

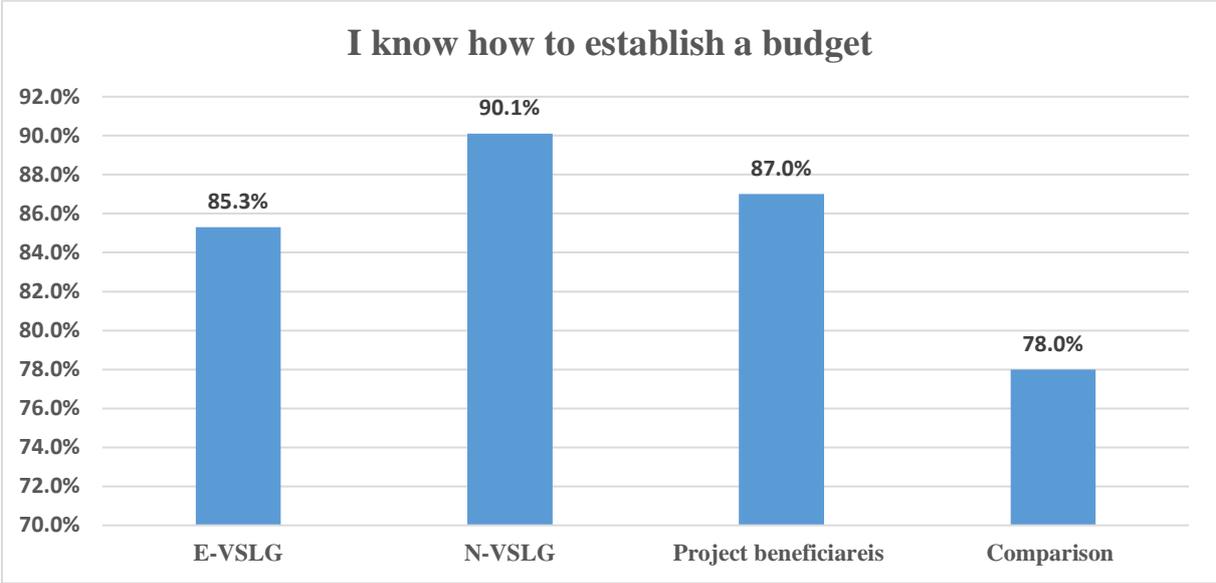
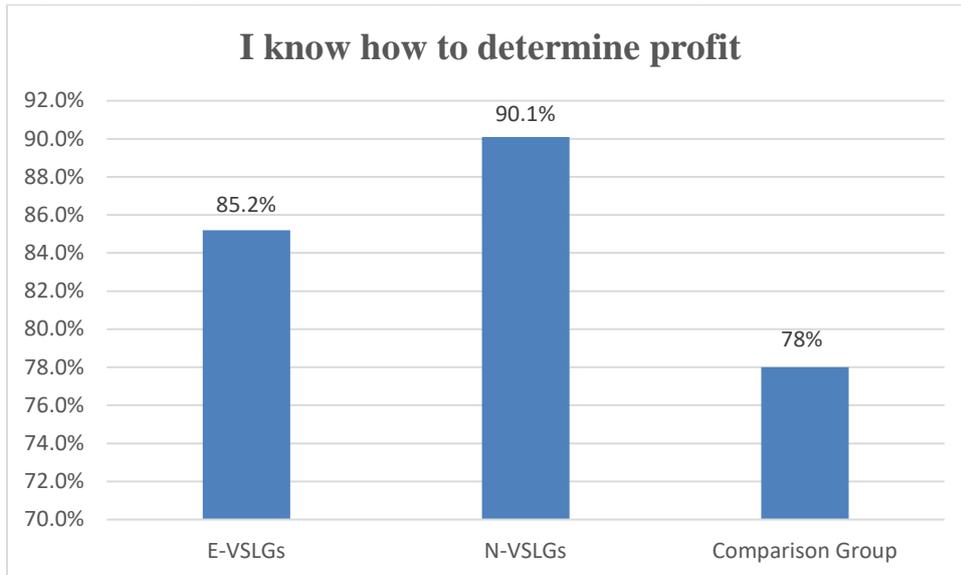


Figure 7: Respondents knowing how to determine profit



Thus, the End of Project survey indicates that the Job Creation project VSLG members assess their business skills higher than those in the Comparison Group.

Conclusion

The project has reached its enterprise activity target and has trained more than the targeted number in business skills. The Job Creation project VSLG members self-assess their business skills higher than the Comparison Group. The table below summarizes performance against the targets.

Outcome 4	Results
70 percent of the beneficiaries (70,000) have gained enterprise skills	<ul style="list-style-type: none"> • 75,483 trained in Enterprise Development and Value Chain • Increased skills in terms of planning, diversifying and managing a business, as well as increased confidence to start a business among project beneficiaries. • Three main areas improved after trainings as assessed by participants: 1) Keeping financial records 2) The business is now my priority, 3) I have expanded my business.
60 percent of the beneficiaries are conducting income generating activities	<ul style="list-style-type: none"> • 64.3 percent of the beneficiaries are conducting income generating activities.

Outcome 5: Creating access to loans for 70,000 (70 percent of beneficiaries) and linking 2,100 VSLGs to Formal Financial Institutions

Access to loans

According to the CARE’s MIS data, 73.3 percent of the project beneficiaries had a loan outstanding by the end of December 2015. The project has thus reached its loan access target of at least 70 percent of the project beneficiaries having access to a loan.

When looking at access to loans within the last 12 months, the percentage is even higher; more than 94 percent of the Job Creation project VSLG members have accessed loans within the last 12 months. This is an increase compared to the around 80 percent in the baseline survey.

Table 18: Respondents who have accessed a loan during the last 12 months

Respondents who have accessed a loan during the last 12 months (in percent)				
Baseline		End of Project Survey		
Comparison Categories	Loans*	Comparison categories	Loans from VSLGs	Loans from other sources
Sample Categories				
VSLG-members	~80	E-VSLGs	94.1	11.0
Non-VSLG members	~5	N- VSLGs	94.8	6.0
		Comparison Group	91.0	6.0
Gender				
Men (VSLG-members)	57.6	Men	94.7	10.0
Women (VSLG members)	50.0	Women	93.5	8.0

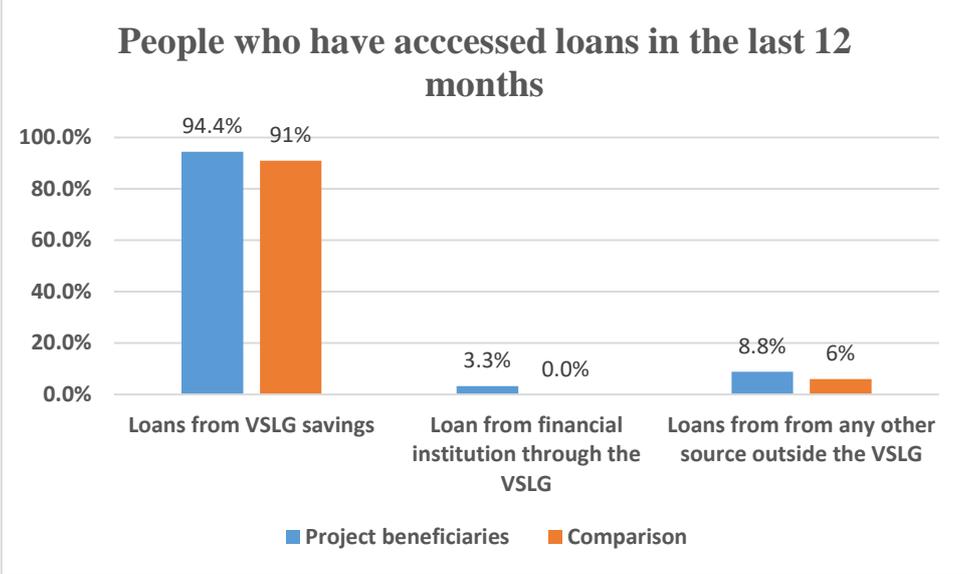
*The baseline report does not differentiate sources of loans (e.g. VSLG savings, MFI or SACCO).

Unsurprisingly, the Baseline Survey showed a significant difference in access to loans between non-VSLG members and VSLG members. The End of Project Survey confirms the result; the Comparison Group VSLG members have almost the same access to loans as the Job Creation project VSLG members. Knowing that 80 percent of the VSLG members had access to loans already in the Baseline Survey, the Evaluation Team finds the target of 70 percent to be modest.

A positive effect is the closure of the gender gap in terms of access to loans. At the time of the Baseline survey men had better access to loans than women; the gender gap was 7.6 percent. As shown in the table above, the End of Project survey shows only a marginal difference between men and women who have accessed loans in the last 12 months.

The Team experienced a problem in the understanding and perception of the survey questions related to loan access. In the End of Project survey, the respondents were asked about their access to loans from three possible sources 1) from the VSLG savings, 2) through a VSLG group loan from a financial institution, or 3) from any other source:

Figure 8: Respondents who have accessed loans in the last 12 months



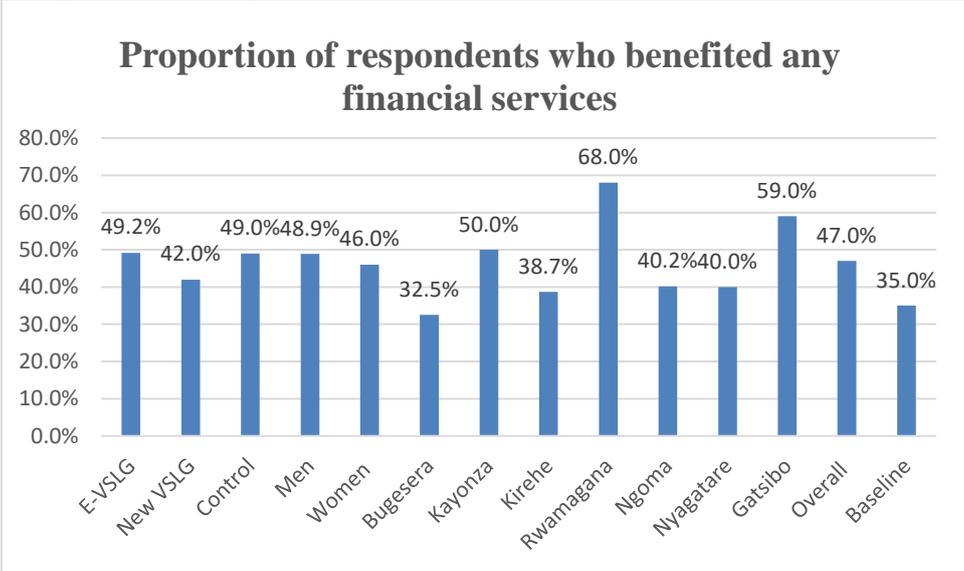
The results show a very low number of respondents claiming to have accessed loans from a financial institution through the VSLG, only 3.3 percent. Given the data presented on financial linkages below, it is unlikely this figure reflects reality. Instead, the low number is likely to be related to the difficulty for the VSLG members to differentiate the sources of funds in the VSLG, i.e. they do not know/remember if the VSLG loan they receive originate from the VSLG savings or from an external source. Thus, the 94.4 percent claiming to have received loans from the VSLG is likely to contain loans from financial linkages with financial institution as well.

Financial Linkages

The project has not met its target of 2,100 VSLGs being linked to an FFI. In total, the project has linked 1,940 VSLGs, thereof 263 to MFIs and 1,677 to SACCOs. Even though the target on financial linkages has not been fully met, the End of Project Survey shows that the financial linkage efforts of the project have yielded results; using other sources of loans has increased from 3.3 percent in the baseline to 8.5 percent (E-VSLGs 11 percent and N-VSLGs 6 percent).

While the use of FFIs is limited in terms of loans, the proportion of beneficiaries using FFIs for financial services (i.e. savings, credit or insurance) has clearly increased; from 35 percent to 42 percent (N-VSLGs) and 49 percent (E-VSLGs and Comparison Group) respectively. Thus, the beneficiaries have reached a higher level of financial inclusion.

Figure 9: Proportion of respondents who benefited any financial services



Conclusion

The project has achieved its target for access to loans, but has not reached the target on financial linkages. The use of financial services from FFIs has increased significantly for both the Job Creation project VSLGs and the Comparison Group VSLGs.

In total, the project has achieved all the established outcomes related to financial linkages with two exceptions; the number of financial linkages (further analyzed below) and the increase in average savings. The results are summarized in the table below.

Outcome 5	Results
70 percent (70,000) will have accessed a loan during the last 12 months	<ul style="list-style-type: none"> 95,155 (73.3 percent of all project beneficiaries) had a loan outstanding as of December 2015. 93.8 percent accessed a loan during the last 12 months.
2,100 VSLGs are linked to FFIs	<ul style="list-style-type: none"> 1,940 VSLG linked to FFIs.

6.1.3 Reasons for Non-achievement of Targets

In the reporting on financial linkage, CARE Rwanda separates “formal linkage” (meaning that the VSLG is linked to an MFI with whom CARE has established a MoU) from “self-linkage” (meaning that the VSLG connects itself to a SACCO). The interviews have revealed that CARE Rwanda had expected a larger proportion of the linkages to be with MFIs instead of SACCOs. While SACCOs have the advantage of a local presence in rural areas, both internal and external stakeholders have raised concerns about the quality, level of professionalism and access to capital of the SACCOs.

Among the stakeholders interviewed, the view of “self-linkage” vs. “formal linkage” differs; while the interviewed project staff at CARE Rwanda points out that the self-linkage could mean VSLG groups get less beneficial financial conditions and thereby take up non-favorable loans, one of the IPOs holds self-linkage as a more sustainable approach for the VSLG system

since it is performed with little involvement of a third party and therefore has chances to continue after project ends. During the interviews, the Evaluation Team has recorded various reasons for why this component has not worked out as planned, the most common being:

- The MFIs do not understand the VSLG methodology and have no suitable products (e.g. no group lending products, no products adjusted to the repayment ability of the VSLG members, no products adjusted to an effective delivery in remote areas).
- The MFIs have a limited presence in the districts and have a, reported, limited interest to enter into rural and remote areas.
- The project placed too high expectations on other actors to promote and work on financial linkages and outreach in Rwanda.
- According to CARE Rwanda's management, the CARE staff realized too late into the project the efforts needed to accomplish this, mainly due to the project starting its roll-out only in year two, leaving the staff highly focused on training.

While all the other project objectives are linked to the activities within the control of CARE Rwanda, HiH EA and its partners, this outcome depends on the actions and interest of external stakeholders. For the MFI linkage to work, MFIs would need to create suitable products, invest in covering remote areas, and learn more about the VSLG methodology. The Evaluation Team has been unable to interview MFIs and thus understand the MFI's willingness to access VSLGs.

To conclude, the input gathered shows that the lack of financial linkages to MFIs seems to be linked both to incorrect assumptions as to the interest of the MFIs, and to the lack of efforts on the part of CARE Rwanda to achieve the objective.

The Association of Microfinance Institutions in Rwanda, AMIR, confirms that there is a gap between the VSLG system and the FFIs in Rwanda. To attract MFIs, CARE Rwanda and AMIR are now jointly looking at a new project design where MFIs would be linked to the VSLG already from start to ensure linkage.

6.1.4 Effectiveness of Partnership, Training and Partner Structure

The Evaluation Team has conducted a wide range of interviews of project stakeholders within CARE, HiH (country and international level) as well as with IPOs and beneficiaries. The interviews give a uniform and positive view of the added value of combining the experience of the two organizations. For HiH, the project was a first attempt to achieve a quick and cost-effective impact together with a well-established partner instead of starting up own groups in Rwanda. CARE had already previously identified the need for business training for its mature VSLGs and had initialized some basic business trainings.

In summary, the added value of working with HiH (as experienced by CARE and its partners) was:

- the training was mind-opening when it came to understanding the possibilities to create new enterprises from scratch with little seed capital and increase focus on job creation (for CARE, IPOs and beneficiaries),

- the training was relevant for the target group and for the *Vision 2020* for Rwanda on job creation (see chapter 6.3 on Relevance),
- the training was a needed next step of development for already mature VSLGs and outside of the existing competence of CARE,
- the training added a new understanding of enterprise development and value chain management at CARE, IPOs and beneficiaries, and
- the experience of HiH EA in planning and managing similar projects.

To prepare for the roll-out of the trainings, HiH EA provided two rounds of ToT trainings to CARE staff and IPOs. In total, 118 persons were trained, thereof 19 from CARE Rwanda and the remaining 99 from the IPOs. A majority of these (95 people) were trained in a second ToT after the hiring of 51 Enterprise Development Facilitators in two groups. All three IPOs highlighted the importance of the training, especially in value chain management.

Methodology-wise, training groups of up to 45-50 persons at once is challenging. One of the HiH EA trainers highlighted that the HiH training methodology is focused on group work. However, with a large group it is difficult to ensure that everyone has fully understood the materials. Literature on interactive training often recommends a maximum of 15 participants to ensure everyone's active participation¹⁸.

The ToTs were evaluated, but there is no compilation of the results. The Evaluation Team has seen a few examples of positive feedback but not from all. Beneficiaries show a high level of appreciation of the training received. All five focus groups assessed the training to be well adjusted to their needs.

Interestingly, in the End of Project survey, 31 percent of the Comparison Group respondents answered that they had received business training, while only 45 percent of the E-VSLGs confirmed that they had been trained. This raises questions marks to if the survey respondents have remembered the training modules in the same way as being described in the survey, and if the respondents have remembered which training content that was included under which specific module.

When asked to rate the training modules according to the effect it had on their livelihood or business, most survey respondents gave the highest rating to the module on “Appreciating Entrepreneurship”:

¹⁸ One example: <http://effectivetraining.org/files/Training%20for%20Trainers.pdf>

Table 19. Participant Appreciation of Training Modules

Which topic do you give the highest rating in terms of having effect on your livelihood or business? (in percent)		
	E-VSLGs	N-VSLGs
Module 1: Appreciating Entrepreneurship	46.8	61.1
Module 2: Finding Business Opportunities	20.2	14.8
Module 3: Process of starting up a Business	11.7	7.4
Module 4: Development of a Business Model	13.8	16.7
Module 5: Business management	14.9	33.3
Module 6: Value Chain and Market Linkage	4.3	7.4

The N-VSLGs valued the business management module high, while the E-VSLGs found the identification of business opportunities and starting up a business more applicable. The module on Value Chain and Market Linkage was rated the lowest by the participants.

The trainings were to be implemented with CARE’s volunteer-based Village Agent system. During the project, the Village Agents were gathered in a Village Agent Network (VAN) at the sector, district and province level. However, it became obvious during the first year that the Village Agents did not have the skills, nor the time available to manage the ED trainings. Thus, their role in the project included:

- Work with the IPO Field Officers to create new VSLGs
- Train VSLGs in VSLG methodology and financial literacy and provide coaching to the groups when they start their operations
- Function as CARE’s contact point to the VSLGs
- Be responsible for gathering VSLG data for the monthly report (MIS report)

As the Village Agents were unable to deliver the Enterprise Development trainings, CARE’s partners’ needed to hire additional trainers, so called Enterprise Development Facilitators (EDFs). (The change in the project design is further described in Chapter 6.2.2.) The new partner staff structure led to an increased effectiveness:

- The number of beneficiaries increased as the speed of creating new VSLG groups grew. Within one quarter, the project included 19,604 new beneficiaries in 12,350 N-VSLGs.
- Within the same quarter 20,793 new enterprises were reported, more than doubling the number of enterprises created in the project so far.

The structure also proved to be cost-effective; despite hiring addition 51 staff members, the project only utilized 78 percent of the original total budget.¹⁹

Conclusion

The HiH trainings have been appreciated by the beneficiaries, but there is no data available on the effectiveness of the trainings. The Village Agent network allows CARE to stay in contact with the VSLG network. A negative aspect of hiring EDFs instead of using the Village

¹⁹ As of 31 December 2015

Agents is the limited presence of EDFs in the villages after project end. This is further explored under Chapter 6.5 on sustainability.

6.2 Efficiency

This chapter focuses on identifying external and internal factors that have influenced the ability to meet project targets for:

- Beneficiaries,
- IPOs, and
- CARE Rwanda.

6.2.1 External Factors

One of the challenges for CARE Rwanda in the project has been the establishment of MoUs with FFIs for financial linkages. A practical challenge is the current organizational set up of the Umurenge SACCOs, where each SACCO is its own legal entity. Thus, CARE Rwanda would need to agree conditions and establish MoUs with each local SACCO individually. Currently, there are initiatives from the government to gather the Umurenge SACCOs under one cooperative bank, which would simplify the process for CARE Rwanda to create a formal agreement between the VSLGs and SACCOs. It is also likely to have a positive effect on the credit capacity of the SACCOs when gaining access to joint funds.

For the beneficiaries, prolonged drought periods in 2014 created problems with the harvest. CARE Rwanda raised this in its *Project Key Achievement* document, and it is also mentioned in the reporting from the IPOs²⁰.

In one of the Focus Groups, the participants had had problems with repayments due to the drought:

*“The drought affected us much and we lost harvest.
“I was struggling to repay my loan”
“We all struggled for the loans we took then” (women entrepreneurs in Ngoma)*

Possible repayment problems are however not captured by CARE’s MIS data; it does not capture Portfolio at Risk (PAR), but write-offs only. Thus, there is no data available on how these droughts de facto have influenced the repayment capacity of the VSLG members. In the group lending approach, the strength of the system is also a potential risk; the strong social “glue” that holds the group together and ensures loan repayments, can also bring its members problems if they are unable to repay the loans. The strong social pressure to repay the VSLG loan could lead members unable to make payments to turn to private moneylenders or other measures to manage loan repayment. When asking the women in Ngoma what they would do if they were not able to repay, their answer was “we just have to repay”, indicating that they would find other solutions if their planned income did not materialize. In another Focus Group, the group described how it had involved the local government to get repayment from

²⁰ Q3 Narrative Report AEE July-September 2014

one of its members, but there seem to be no established routine for how to handle late repayments.

An organization working with group lending needs to ensure that it keeps track of potential “hidden” inability to repay; in a first step, PAR needs to be captured in the reporting, knowing that the figure only captures actual delays. In a second step, surveys of borrowers need to include a follow-up on the extent to which the VSLG members borrow from others to cover loan repayments to the VSLG. If the project management knows that there are repayment problems, it should trigger an assessment of repayment capacity among the VSLG members. This will be of even higher significance for VSLGS with formal linkages to FFIs, since these members have potential access to loans from multiple sources.

Conclusion

The beneficiaries’ repayment capacity has been negatively influenced by droughts, but this challenge is not recorded or followed-up by the project. The diverse SACCO system have influenced CARE Rwanda’s work on financial linkages.

6.2.2 Internal Factors

During its first years of operations, the project moved in a much slower pace than expected; after one year only 125 new VSLGs had been created (five percent of the target), the project had trained about 12,500 persons of the 70,000 totally planned, and had a total of 43,000 beneficiaries (but with 40,000 of these being carried over from already existing VSLGs). Budget-wise, the project had only spent USD 340,000 out of the foreseen budget of USD 1,100,000.

The *Annual Report for year 1* outlined a number of factors why this was, including the need to anchor the project with the local government, the time spent on development of materials, the establishment of the MIS system, and establishing communication between the two project implementers CARE Rwanda and HiH EA. But there were also constraints in terms of staff capacity in the regions. During interviews with staff and management at CARE Rwanda and HiH EA, the main issue arising was the challenge in understanding each other and establish clear roles and responsibilities between the two implementing agencies. Thus, for year two, the project was redesigned:

- New VSLG trainers were employed by the IPOs; the 51 EDFs were to implement the training with the VSLGs instead of the Village Agents. The EDFs were based locally, but had good education level and spoke English. The EDFs were equipped with motorbikes for travel to conduct trainings.
- The CARE Project Manager received a strengthened mandate to manage the project.
- HiH EA took a more active role, and conducted ToT for all the new EDFs.
- The IPOs were more actively involved by establishing targets and time plans for its work.
- The project added quarterly review meetings where all stakeholders met and discussed the project and its results.

The new model provided a remarkable turnaround; in the third quarter of the second year, performance improved rapidly, and the project was on target for most of its planned performance and results.

These internal challenges effected all the stakeholders: the time for the project implementation was shortened by one year and the IPO teams were more than doubled with the new EDFs. Two of the IPOs stated that they had no problem in recreating and keeping good EDFs. One IPO reported substantial difficulties in both finding, keeping and training EDFs, to the extent that it concluded that working with EDPs only would have been more cost-effective despite their higher salary level.

For CARE Rwanda, the delays meant that it had to focus on the VSLG formation and training. Other aspects and ideas of the program, such as the financial linkages, and the mentorship program were therefore implemented or initialized but in a short time period with limited time to have refresher trainings or coaching of the VSLGs. Ideas raised in the *Mid-Term Review Report*, such as the establishment of Common Interest Groups of entrepreneurs active in the same field were initialized but not fully rolled out.

When discussing with CARE Rwanda and HiH EA, both agree that the revamp of the project was the reason why the project, at the end, could be implemented successfully.

Conclusions

The learnings from the initial first year when the project experienced problems in reaching its targets are:

- The challenges of two organizations with different organizational cultures working together was underestimated.
- The project would have gained from an inception period, focusing on developing materials, establishing monitoring system and clarifying the roles of CARE and HiH.
- The costs and planned input from HiH EA should have been included in the overall project budget. This would have increased the understanding of HiH EA's role.
- To be successful in combining the strengths of the two organizations, close coordination and physical meetings are needed. Once the meetings between CARE Rwanda and HiH EA increased, the project reached better results.
- The IPOs should have been involved earlier in the communication and cooperation with HiH EA. This would have helped to identify the problems with the staffing capacity at an earlier stage.

6.3 Relevance

Vision 2020 is a document summarizing the key factors for Rwanda's development. The development of the financial sector, access to capital for private development and the creation of jobs in non-agriculture sectors are the priorities. Additionally, working on gender equality

is said to be a cross-cutting theme for all development work. Thus, HiH and CARE identified areas important to Rwanda and addressed these in the Job Creation project.

Interviews with the CARE Rwanda's management reveals that CARE Rwanda had already before the project identified a demand from its mature VSLG to "bring them to the next level" in managing businesses. Due to the identified needs, CARE Rwanda had already included limited enterprise trainings in its training program to VSLGs. Additionally, the Job Creation project's design was based on a wide range of data gathered about the intended target group through the baseline survey. The program was designed to meet the different challenges for the target group.

When asking the focus group participants about the relevance of the program results for them, they provided a very positive view. The most common comment has been that the project has been "mind-changing" in terms of understanding how to start a business from scratch:

"The training opened our eyes and gave us confidence that we can do something" (women entrepreneur in Kirehe)

"Being a member helped me to escape from poverty. Now everyone in the group knows how to make an income generating activity" (women entrepreneur in Ngoma)

"Before, we used to live by farming only, but because of getting loans through the VSLG, small businesses have grown positively" (male entrepreneur in Kirehe)

"The training thought us that we can do something ourselves" (women entrepreneur in Ngoma)

As shown in the effectiveness chapter, the project has also been relevant for the target group in establishing a savings culture:

"My level of thinking has increased; when you come to save every Tuesday, you have to plan and work harder to have something to save. We don't consume in the same way before we have put money aside." (male entrepreneur in Nyagatare)

"After forming the VSLG, we were taught how to save money" (female entrepreneur Rwamagana)

The participants provided a range of examples of how the access to loans from the VSLGs helped them expand their businesses and increase income levels. Women participants in the two women-only focus groups have also highlighted an increase in self-confidence and ability to speak in public.

Conclusion

The project design is concluded to be relevant in terms of addressing challenges for the target group (poor people in Eastern Province). The activities conducted are consistent with the established goals and objectives of the program. The feedback gathered in Focus groups shows that the project is relevant to the beneficiaries.

6.4 Impact

This chapter focuses on assessing impact on the beneficiaries. In the methodology chosen for this evaluation, the impact is measured as the difference between the results of the project (e.g. on income, employment etc.) for the project beneficiaries and the results recorded for non-Job Creation project participants (e.g. the Comparison Group). The Comparison Group members are VSLG members but have not received the same amount of support as those involved in the Job Creation project. Since impact also can be unintended, a separate sub-chapter summarizing the unintended effects is also included.

In the End of Project survey, the following impact can be seen among the Job Creation project VSLGs compared to the Comparison Group VSLGs:

Project objectives and outcomes:

- Project beneficiaries conduct enterprises in a sector untapped by the Comparison Group (in the service sector).
- Project beneficiaries have higher enterprise profits. Women have higher profits than men.
- Project beneficiaries save more.
- Project beneficiaries invest more in assets.
- Project beneficiaries are more likely to hire staff (especially the E-VSLGs).
- Project beneficiaries assess their business skills higher.

Levels of empowerment:

- Project beneficiaries have a higher confidence in managing problems that arise.
- The E-VSLGs have a higher level of CSO membership (60 percent compared to 45.5 percent).

The areas where the Job creation project has not had an impact (i.e. where the Comparison Group shows similar results as the project beneficiaries) include:

- The percentage of VSLG members that start an enterprise.
- The diversification of enterprises, if understood as reducing the reliability on agriculture.
- The amount invested in assets in the last 12 months.
- The percentage of VSLG members that record its business transactions and budgets.

The social and economic empowerment of group members is assessed by using the CARE Empowerment Framework. The framework defines three levels of empowerment:

- Agency: the woman herself and her capabilities

- Relations: the relations the woman has that affect her empowerment and development (e.g. family relations)
- Structures: the context and environment of the woman which influence her empowerment

When using the CARE Empowerment Network to assess the End of Project survey results, it shows the following:

Agency level:

The stakeholders and focus group participants indicate that the beneficiaries' self-esteem, especially of women, increased. Quotes from the FGDs confirm this:

“Before I used to be at home only, now I dare to speak up and express myself in public”
(Woman entrepreneur, Ngoma)

“We look smart as we get time for bathing, well dressing and meeting the public” (Woman entrepreneur Rwamagana)

“Self-confidence has been achieved as we have been given freedom of speech, space and more. We feel confident and know how to cope with issues” (Woman entrepreneur, Rwamagana)

The survey asked respondents to assess statements related to self-confidence and self-esteem showing:

- an improvement of self-confidence to take own action,
- insignificant change in the confidence to deal with projects,
- ability to influence decisions in the community increased, and
- confidence to speak at community meetings increased.

Relationships:

Both men and women in three out of five focus groups mentioned that the project had brought an increased level of peace in the household.

“Poverty was the source to conflicts in our family and my husband was beating me. Now we work together, my husband carries my goods to the market so we don’t have to pay for transport” (women entrepreneur in Ngoma)

“My wife thought I had consumed the money I saved [in the VLSG]. I showed her the VSLG booklet and the stamp. This created peace.” (male entrepreneur in Nyagatare)

“Women are interacting with their husband in progress of their family” (women Rwamagana)

“Women are now valued by their husbands as they are participating in solving some household issues that were mainly the responsibility for men”. (male VLSG member in Gatsibo)

While this is a positive effect, the focus group participants also spoke of initial difficulties for women in their relationships/marriages when starting enterprises and joining VSLGs. Some testified that their husbands were initially skeptical to let them attend meetings and start their own businesses. This situation is also visible in the *Baseline Survey*, where more VSLG members than non-VSLG members reported that they were exposed to domestic violence (13.7 percent and 7.9 percent respectively).

The End of Project survey showed that most respondents claimed that their spouses valued their role in the household. Among E-VSLGs, almost 90 percent feel valued in the household, while N-VSLG members feel slightly less valued. Men generally feel more valued than women.

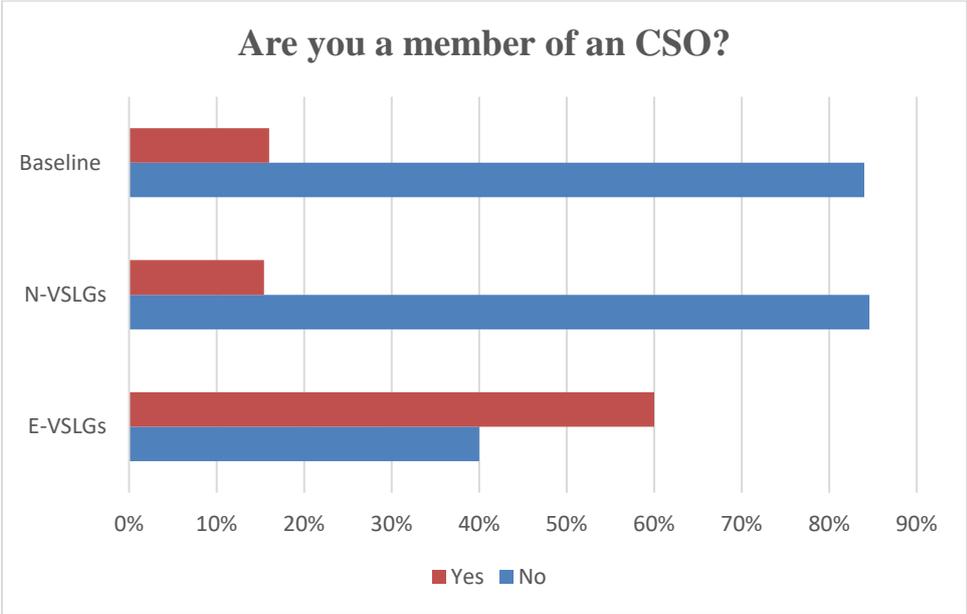
Structures:

For an assessment of structural empowerment, specific survey questions were posed regarding the involvement in the local community, both in terms of CSO engagement and political representation.

“The VSLG has created friendship between us but also created a culture of friendship in the community. We go to each other for counselling and advice” (women entrepreneur Ngoma)

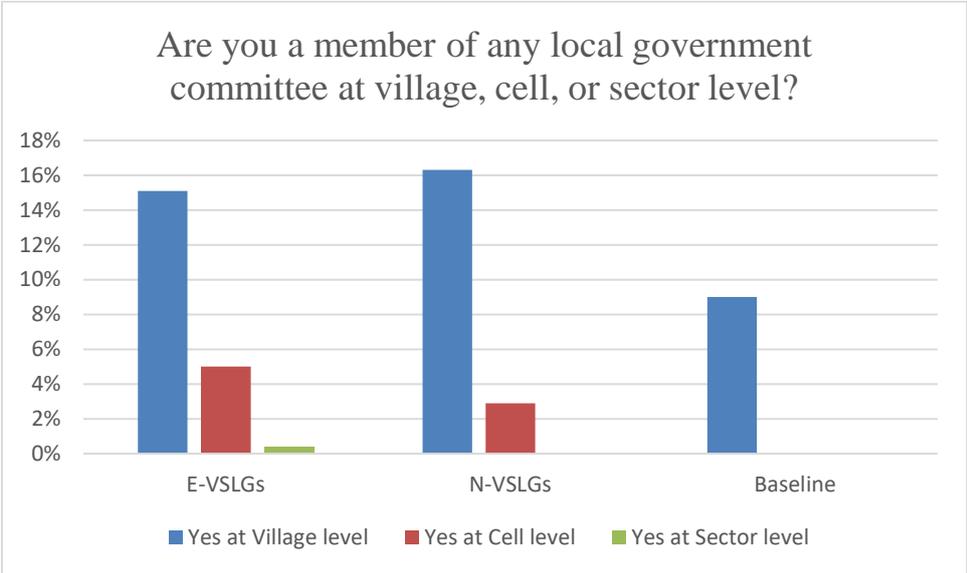
The community engagement of the target group significantly increased during the project lifetime, especially for members of mature VSLGs; 60 percent of the E-VSLG members are now members in a CSO (not the VSLG), compared to 16 percent in the baseline.

Figure 10: CSO Membership



The beneficiaries’ involvement in local politics also increased; from 9 percent in the baseline²¹ to around 20 percent for the Job Creation Project VSLG members. Being a member of a VSLG seemed to have had a positive impact on the political engagement of its members. One IPO confirmed that it had seen several examples of VSLGs women taking place in local government.

Figure 11: Government Participation



For the future, an increased representation in local politics is likely; as many as 63 percent of the E-VSLG members stated that they planned to run for office in the next local government elections (39 percent of N-VSLGs). Compared to the 11 percent of the baseline, it can be

²¹ The available baseline data does not divide the representation on the three levels. 9 percent is the total figure for all political representation.

concluded that the interest in political representation has increased during the project life time.

Also in more informal community settings, the VSLG members seemed to be valued: 70.5 percent of the Job Creation project VSLG members have been asked to support community conflict resolution.

“Women in our village always attend regular women meeting called akagoroba k'ababyeyi (formal mothers meetings). From these meeting women are sharpen to play their role in positive influence at household and community levels” (male entrepreneurs in Gatsibo)

Appendix 8 contains additional analysis from the End of Project survey related to empowerment.

Conclusion:

The survey results and the focus groups shows an increase in self-confidence and self-esteem among the project beneficiaries. Especially the ability to influence important decisions in the community has increased rapidly since the *Mid-term Review*. The focus group participants give witness of increased peace in the household. The VLSG members tend to take a more active role in the local community, and there was a remarkable increase in political representation and membership in other CSOs. A majority of these changes (with exception for self-confidence to address problems and CSO membership) can be related to the VLSG membership rather than the Job Creation components.

6.4.1 Unintended Effects

During interviews and focus group discussions, the Evaluation Team has gathered stories on unintended effects of the program which relate to:

- The legalization of marriages: In the villages, marriages are not necessarily officially registered with the local authorities. This leaves limited legal rights to the spouse if a VSLG member starts its own enterprise. The project has seen an effect of VSLG members deciding to legalize their marriages. Examples have been given in two Focus groups how the “share out events” are used as a festive arrangement where the local authorities attend providing possibilities for couples to formally register their marriages.
- Health/medical insurance: With the savings from the VSLGs, members who have previously not had the possibility to pay into the government health insurance scheme now are able to do so. This was mentioned in two Focus groups and by two of the IPOs.

6.5 Sustainability

The project ended in March 2016, but the contracts with the IPOs and the activities in the field ended in December 2015. For the last project quarter, CARE Rwanda developed an *Exit Plan*. The table below summarizes the current status and assessment of sustainability in various areas after the project end:

Table 20: Sustainability Assessment

Sustainability focus	Status	Assessment of sustainability
VSLG formation	VSLG formation is CARE’s core business and there are funds available for CARE to scale up its VSLG activities further. Work with the VSLGs, including the initial financial literacy and VSLG management training, will continue in the project area. Through the Village Agent network, CARE remains in contact with the region and the VSLGs.	Very good
Enterprise Development training	<p>Not using the Village Agents for the ED training led to a structure where the EDFs were hired by the project and now consequently are no longer available. Two of the IPOs have structures of a more permanent nature in the respective districts. However, besides information which can be channeled through the Village Agents, there is currently no established structure for how the enterprise training and the knowledge should remain in the region. Thus, the sustainability is much dependent on the Village Agent’s capacity, who have so far not provided any ED trainings.</p> <p>Both CARE Rwanda and one of IPOs has plans to use the knowledge and materials in future projects. CARE Rwanda and AMIR are currently exploring the establishment of “peer educators” within the VSLG, who would continue the enterprise training. One IPO (church organization) planned to use the materials in its church groups.</p>	Good
Sustainability of jobs	93.6 percent of the Job Creation Project VSLG members performing enterprises are confident that their business will still exist in three years, and the End of Project survey also showed that more mature VSLG members hired more workers/staff. Also VSLG members in the Comparison Group hired. All focus group participants were positive to remain and expand their businesses also after the project support ended.	Good

Sustainability focus	Status	Assessment of sustainability
	<p>A <i>Job Assessment Study</i>, commissioned by CARE in March 2016 to better understand what type of jobs that were created, revealed that 70 percent of all the employments are of a short-term nature.</p> <p>There is no data on the maturity of the enterprises or VSLGs and the overall sustainability of the jobs is therefore difficult to assess, however, with the increased skills, the project beneficiaries' confidence and competence contribute to helping them start another enterprise should one fail.</p>	
Value Chain Management	<p>The project provided no MIS data or have targets related to Value Chain and market linkages activities. None of the Focus Groups mentioned these activities, which can be linked to the limited outreach of the activities.</p> <p>The training module on Value Chain and Market Linkage was rated lowest by the beneficiaries in terms of applicability and effect on business and life situation.</p>	Limited
Linkage to FFIs	<p>VSLGs will be able to continue linking to SACCOs also after the end of the project. At the same time, the SACCO system has capacity issues and might not be able to cater for the needs of the VSLGs.</p> <p>An increased linkage to MFIs will require efforts by the MFIs (new products, new geographical areas, use of technology to reach remote areas) and by the VSLGs (learning to make business proposals to an MFI). The focus groups revealed both a lack of knowledge about the possibility of linking to an MFI and a need to learn "MFI language" when approaching FFIs.</p>	Good

6.6 Gender-responsive Delivery

The *Vulnerable Women's Program*, under which the Job Description project is organized at CARE Rwanda, has a strategic goal stating “By 2025, vulnerable women are socially and economic secure and exercise their rights”. The goal is to be achieved by scaling up CARE Rwanda’s work in creating VSLGs, training in financial literacy, and support in entrepreneurial skills. The Job Creation project responds very well to all these aspects.

CARE's Gender Toolkit requires that gender should be analyzed throughout the program cycle, looking into design of programs that should transform gender roles, minimize unintended harm, and assess how the program initiatives have contributed to change for groups of people.

A paper by Susan Johnson, focusing on gender best practices for microfinance programs²², establishes a number of key questions to ask when establishing project objectives:

Key questions for the establishment of project objectives:

- How will women benefit from the program?
- Possible negative effects on women?
- Benefits to other family members?
- Relationship between women and men in their households?
- Are women’s practical needs addressed by the project?
- Are women’s strategic needs addressed?

While CARE Rwanda and HiH have extensive knowledge on the situation of the women, the program design does not include a analysis similar to the *CARE Gender Toolkit*, or in line with the box summarizing Susan Johnson’s findings.

The project goals include direct results for women’s economic empowerment (access to financial services, income generating activities and jobs) but interviews with CARE and HiH have shown that there are expectations that the project should also have indirect effects (e.g. an increase in women’s self-confidence, breaking out of traditional gender norms) that are not clearly established in the project design. The project design and activities did not include any activities or targets related to these aspects, but focused only on the direct results. When talking to the implementing IPOs, they were unable to mention any program activities related to gender-aspects beyond reaching the 75 percent target.

The project design did not consider the possible initial negative effects the project brought in close family relationships, as evidenced by women subjected to gender-based violence (see Chapter 6.4 on impact). The project does not contain any activities or elements to support the women in such difficult situations. Through interviews, the Evaluation Team has understood that CARE Rwanda uses the VSLG structure to address gender issues as part of the Vulnerable Women’s program, but the Job Creation project documentation does not refer to any of these activities. Two of the three IPOs raised the need to include activities in the

²² <http://www.gdrc.org/icm/wind/gendersjonson.html>

project to address challenges in close relationships as a result of the project, for example based on a “Do No Harm” approach.

Conclusion

CARE Rwanda and HiH have spent considerable time trying to understand the challenges for women empowerment with the target group during the project design. However, the project design and outcomes foremost focus on outreach and have not established any actions to mitigate possible negative effects women can experience as a result of entering a VSLG.

For future projects, the Evaluation Team would therefore recommend:

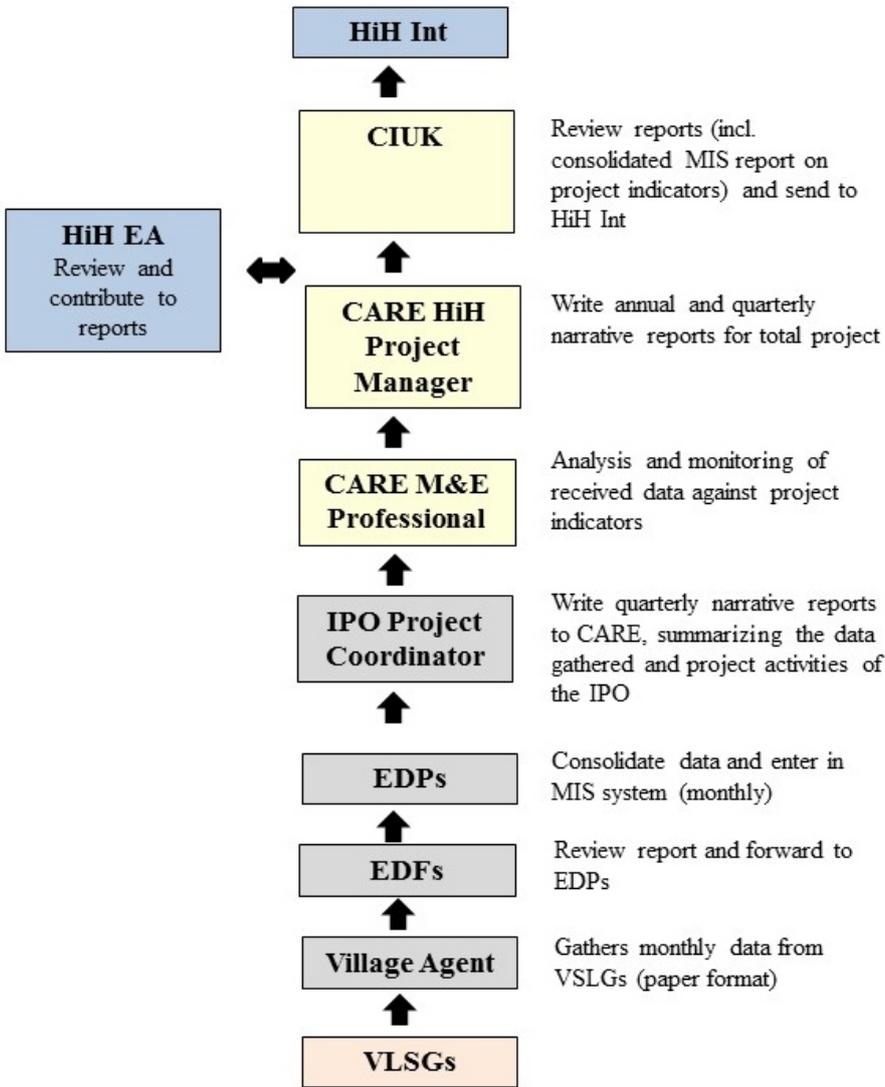
- To create project outcomes related also to more indirect effects of women’s empowerment
- To ensure that the project design uses the data collected on women’s situation to create activities
- To address the issue of potential initial increase of domestic violence by mitigation activities

6.7 Project Management

The communication and project set-up has been described and discussed in chapter 6.2.2. This sub-chapter therefore focuses on the project management and an assessment of the partnership delivery model.

The project management was done through the establishment of an M&E system using the existing project structure. The system was based on monthly reports from the VSLGs, moving upwards in the organization as follows:

Figure 12: Project Monitoring and Evaluation System



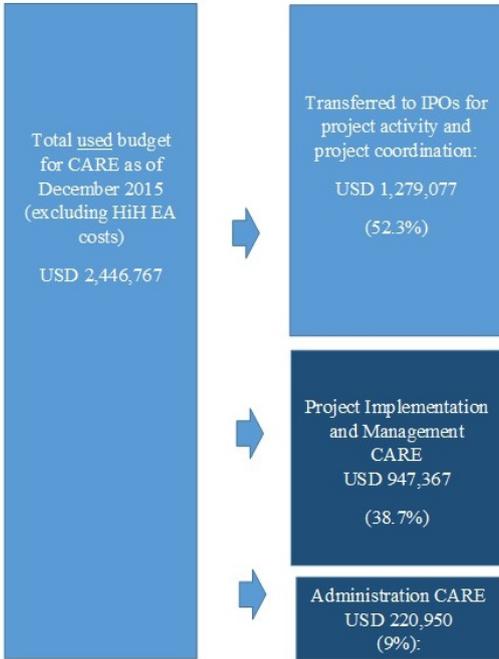
Each level was responsible for supervision, training and coaching of the level below. The M&E system also included separate external assessments, such as the *Mid-Term Review Report*, collection of success stories, and a *Job Assessment Report*. The CARE project management regularly travelled to the field.

The stakeholders interviewed from the funder level have assessed the management of the project to be good, providing sufficient and relevant data. Through the MIS system, CARE Rwanda has accessed detailed data directly from the VSLGs. In terms of providing detailed, relevant and reliable data, the M&E system can therefore be judged to be good.

At the same time, the MIS system and the project coordination and management requires a substantial effort from all stakeholders involved. The system includes data being transferred between five different groups, starting with the VSLG before being used in the project reports by CARE Rwanda. One of the IPOs was especially critical to the time needed for reporting and claimed that its Project Coordinator worked full-time instead of the envisaged 40 percent, due to the monitoring, reporting and coordination meetings required.

When looking at the division of CARE’s project budget, it looks as follows*:

Figure 13: Project Budget Analysis



* All costs for HiH EA are excluded from this budget, since these were not included in the project budget, but reimbursed upon occurrence from HiH Int.

The chart shows that slightly more than half of the funds (52.3 percent) were transferred to the IPOs for the project work with the beneficiaries. Nine percent was used for administrative costs at CARE. The Evaluation Team has researched the approved administrative cost level among a range of donors and philanthropic organizations and found a range of between seven and 15 percent, leaving CARE’s administrative costs in the mid-range of this span.

The remaining 39 percent of the budget remained with CARE Rwanda to cover project management, coordination and implementation. While part of this budget has been used for program activities (such as market linkage, mentorship, and financial linkage activities), the costs are mainly linked to the project management, monitoring, evaluation and coordination. At the same time, the sub-grants to the IPO also include the IPO project coordination, reporting, and management. Thus, a conservative estimation is that at least 30 percent of the project budget has been used for staff involved in planning, managing, monitoring, coordinating and reporting on the project. This excludes the resources invested by HiH EA and HiH Int.

The report has previously concluded that the project was cost-effective since the targets were reached without using the full project budget (see Chapter 6.1.4). However, from the perspective of how the budget has been used spending more than 30 percent of the budget on project management, monitoring and report is substantial. For a possible future replication, the Evaluation Team would recommend to minimize the number of levels in the M&E

system. Examples could be for the Village Agents to report directly to the EDPs or let IPOs provide input to the CARE quarterly narrative report without the need to submit their own reports. Additionally, the use of technology in earlier stages of the reporting line could create additional gains.

In this first pilot, the HiH and CARE partnership model showed positive results in terms of reaching a majority of the project objectives and outcomes. As shown above, the two organizations have both brought added value to the project and the beneficiaries. The Evaluation Team has been asked to assess if the project has gaps in its established indicators and targets. Based on the analysis and data collection conducted for this evaluation, the Evaluation Team has identified five gaps, many of which have been discussed in earlier chapters.

- 1) Indicators measuring results on mentorship, Value Chain management and market linkages: while the project has conducted trainings on value chain management and worked on creating market linkages and establishing a mentor program for women entrepreneurs, these project activities have not been captured in the project outcomes.
- 2) Measuring loan portfolio quality and repayment capacity in the VSLG (see chapter 6.2.1)
- 3) Establish project indicators and targets that capture the “indirect” effects of women empowerment in the VSLGs (see chapter 6.6)
- 4) Establish targets for risk mitigation activities when empowering women (see chapter 6.6)
- 5) Measure results rather than activities on entrepreneurship skills and financial literacy (see chapter 6.1.2)

6.8 Replicability

This program was carried out in a short period of time and this was only made possible by HiH partnering with an organization that already had an established system for VSLG groups. Implementing such an ambitious program without such a partner, would require more time to build up a system or to search for and establish partnerships, possibly, several local NGOs working in with this type of groups. HiH and CARE’s partnership in this type of a Job-creation project can, with this experience, be replicated considering the following pre-requisites:

Context:

- Support from the local government.
- A good outreach of formal financial services (through e.g. MFIs, SACCOs, mobile money)

Project design:

- Establishing a detailed plan for deliverables, responsibilities and reporting lines for each project level (funders, implementing agencies, field level).
- Involving the implementing levels in the project design (implementing local NGOs or similar).

- Allowing for an inception period to establish the cooperation between the implementing organizations.
- Carrying out an assessment of the CARE Village Agents prior to the project, to analyze if they have the skills and capacity to undertake the proposed tasks (training etc).
- Preparing a detailed plan for the number of staff needed at the field level to be able to meet the project targets.
- Establishing a well-defined phasing-out process.

CARE:

- Establishing a network of IPOs that have a good outreach in the target regions and the organizational capacity to hire and manage a large field level Evaluation Team, and a structure which allows them to remain after the project end.
- Ensuring project-specific staff members and management.
- Establishing a cost-efficient M&E system.

HiH:

- Establishing a budget for the regional HiH office to implement the ToTs,
- Setting a plan for the regional HiH office's involvement in the project, especially during the first year,
- Including planning for study visits (in both directions) for the regional HiH and CARE offices.

Overall, CARE Rwanda has a positive view of using the job creation model in the future. It is seen to be in line with the priorities of the country and of CARE Rwanda, and a good model to apply to CARE Rwanda's already existing VSLG methodology. One of the IPOs plans to conduct similar trainings in other groups it manages (non-financial groups), especially among youth.

Currently, discussions are held within CARE Rwanda on how to use the model and potential donors to access. The Job Creation Project was seen as a successful pilot project, and therefore should be continued. With AMIR, CARE is looking into possible funding from Access to Finance Rwanda. According to the CARE Country Director, there is funding secured from the Master Card Foundation to scale-up the project in other regions. Additionally, CARE Rwanda is starting up a new Norad-funded project focusing on Youth Enterprise Development. The project will draw on the experiences, skills, training materials and approach of the Job Creation project.

On a global level, CIUK is currently working on a redesign of its Women Economic Empowerment Strategy. According to the CIUK Financial Inclusion Advisor responsible for the Job Creation Project, the update will include a review of if CARE should add entrepreneurship aspects to the strategy, including removing barriers for women entrepreneurship and change of social norms.

To conclude, CARE Rwanda is interested in using the Job Creation project model in the future and has already secured new project funding to work with entrepreneurship of youth. Besides being mentioned by the CARE Country Director as an important target group, the need to address youth with entrepreneurial training was highlighted by AMIR and by one of the IPOs.

7. Conclusions

The Job Creation project was implemented by HiH and CARE Rwanda and is assessed to be relevant to the beneficiaries and having achieved its objectives to a large extent:

Table 21: Summary of Project Achievements

Objectives	Achieved	Results
Promote employment opportunities for 100,000 (75 percent women) poor and very poor people in the Eastern provide of Rwanda through 3,000 VSLGs	√	<ul style="list-style-type: none"> • 129,816 trained participants • 80 percent of the participants were women • All districts in the Eastern province included in the program • 4,390 were included in the project VSLGs
Promote sustainable improvements in livelihood resilience and diversity	√	<ul style="list-style-type: none"> • Diversity of income sources has increased compared to the baseline with less than 60 percent of the beneficiaries working in agriculture and more working in trade and services. • Food security has increased; households with a whole day without eating in the last six months have decreased from 21 percent to 13.4 percent. Families with a harvest too small to cover family needs until next harvest have diminished from 75.8 to 73.6 percent.
Develop and communicate a sustainable model for job creation	√	<ul style="list-style-type: none"> • Job creation target met. • Access to loans and training has created enterprises and beneficiated have learned to focus on income generating activities, start own businesses and hired workers/staff. • Income (measured in terms of profit) of the beneficiaries has increased and the households show improved living standards. Women entrepreneurs have changed their position in the family and in the community. • With the increased skills, the project beneficiaries' confidence and competence contribute to helping them start another enterprise should one fail. These factors contribute to the sustainability of the job creation model.

The project has also fully reached three and partially achieved two of the five project outcomes. It has been especially successful in creation of jobs and start-up of enterprises, increasing enterprise profitability, asset accumulation and financial inclusion. The project has been less successful in linking the VSLGs to the more formal financial system and to increase the individual savings of the beneficiaries.

The impact of the Job Creation project is assessed as the differences that the project beneficiaries have experienced compared to other VSLG groups that have not been part of the Job Creation project. Here it becomes clear that the Job Creation project has not influenced the number of VSLG members starting enterprises or the number of VSLG members diversifying their income by starting enterprises in other sectors than agriculture.

However, the Job Creation project has meant a substantial impact in the profitability of the enterprises. The project beneficiaries have a significantly higher profit level than those not included in the project. Overall, the project beneficiaries manage their small businesses better. Besides the higher profits, this is evidenced in some diversification into service-type businesses, more workers hired, larger investments in fixed assets and greater ability to save. The project beneficiaries also have more confidence in their ability to manage problems arising in their businesses and lives.

The two partners of the project (CARE and HiH) have been able to combine their strengths in VSLG methodology and Enterprise Development and Value Chain management training. The partners were able to, after initial project management challenges in year one, change the project set-up in year two and thereby achieve a remarkable turnaround in the project. This did, however, have implications for phasing out period of the project which was too short.

The project management provided regular and detailed data on project performance, but has not followed-up on the repayment capacity of the VSLG members despite reported effects of droughts. This is a very important shortcoming of the project. Without tracking and addressing the actual repayment capacity, the project could end up creating poverty and worsening poor people's situation. The project management must establish a system for monitoring the actual effect of the project on the VSLG members' livelihood.

The project management and monitoring of the project is estimated to amount to a very high 30 percent of the project budget. The five levels of reporting and monitoring structure is inefficient and needs to be streamlined in a future continuation or scale-up of the project.

The project has improved the financial inclusion of women. The project has also managed to turn around the profitability of the beneficiaries' small businesses; women's small businesses are more profitable than men, and an equal number of men and women now have access to credit. However, the project has also meant initial difficulties for women joining VSLGs which in some cases has resulted in cases of domestic violence. The project design did not take into account such risks and needs to, if replicated, consider how it should support women breaking social norms and traditional gender roles.

7.1 Recommendations

Recommendations related to Project Design:

- A good outreach of formal financial services is needed (through e.g. MFIs, SACCOs, or mobile money). If this does not exist, Formal Financial Institutions needs to be closely linked to the project during the project design to ensure that there will be a supply of suitable products in the project districts.
- The project design should include more explicit mitigation activities to support women in addressing initial resistance from their spouses when joining the VSLG
- Establishing a detailed plan for deliverables, responsibilities and reporting lines for each project level (funders, implementing agencies, field level).
- Involving the implementing levels in the project design (implementing local NGOs or similar).
- Allow for an inception period to establish the cooperation between the implementing organizations.
- Carry out an assessment of the CARE Village Agents prior to the project, to analyze if they have the skills and capacity to undertake the proposed tasks (training etc.).
- Prepare a detailed plan for the number of staff needed at the field level to be able to meet the project targets.
- Establish a well-defined phasing-out process.

CARE:

- Ensure that the project measures and monitors potential repayment problems among the target group.
- Establish a network of IPOs that have a good outreach in the target regions and the organizational capacity to hire and manage a large field level Evaluation Team, and a structure which allows them to remain after the project end.
- Ensure project-specific staff members and management.
- Establish a cost-efficient M&E system.

HiH:

- Establish a budget for the regional HiH office to implement the ToTs,
- Set a plan for the regional HiH office's involvement in the project, especially during the first year,
- Include planning for study visits (in both directions) for the regional HiH and CARE offices.