

# FINSCOPE RWANDA 2012



**FINS**SCOPE

## TECHNICAL REPORT

ACCESS TO FINANCE RWANDA  
JANUARY 2013



# Acknowledgements



Department  
for International  
Development



**UKaid**  
from the British people



**THE WORLD BANK**



**Centre for Economic  
and Social Studies**



Institute of Policy Analysis  
and Research - Rwanda



Making financial markets work for the poor

# Contents

<b>Executive Summary</b>	<b>1</b>
<b>1. Introduction</b>	<b>3</b>
<b>2. FinScope</b>	<b>5</b>
<b>3. FinScope Rwanda</b>	<b>6</b>
<b>4. FinScope Rwanda 2012</b>	<b>7</b>
4.1. Survey and instrument design	7
4.2. Sampling and listing	7
4.3. Fieldwork	7
4.4. Data processing	8
4.5. Data analysis and reporting	8
4.6. Supply side data	9
4.7. Qualitative assessment	9
<b>5. Defining Financial Inclusion</b>	<b>10</b>
5.1. The dimensions of financial inclusion	11
5.2. The determinants of financial inclusion	11
<b>6. Financial Inclusion in Rwanda</b>	<b>12</b>
6.1. Physical access to formal financial institutions	12
6.2. Eligibility	14
6.3. Levels of financial inclusion	15
6.4. Drivers of increased levels of financial inclusion	18
6.5. Overlaps in uptake of financial products/services	20
6.6. FinScope Financial Access Strand	21
6.7. Usage of financial products and services	25
<b>7. Landscape of Access</b>	<b>26</b>
<b>8. Commercial Bank Product Uptake and Usage</b>	<b>29</b>
<b>9. Non-bank Formal Product Uptake and Usage</b>	<b>32</b>
9.1. Microfinance institution product uptake and usage	33
9.2. Umurenge SACCOs uptake and usage	35
9.3. Insurance and pension product uptake	38
<b>10. Informal Mechanisms Used</b>	<b>40</b>
<b>11. Drivers of Financial Inclusion</b>	<b>42</b>
11.1. Geographical distribution of the adult population	42
11.2. Demographic characteristics of the adult population	43
11.3. Attitudes and perceptions of the adult population	44
11.3.1. Attitudes and perceptions about money management	44
11.3.2. Attitudes and perceptions about financial products and institutions	46
11.4. Money management practices	50
11.4.1. Transacting and remitting	50
11.4.2. Saving	51
11.4.3. Borrowing	54
11.5. Risks and risk mitigation	57
11.6. Household and community environments	60
11.6.1. The household	60
11.6.2. The community	61
<b>12. Access Frontier for Formal Inclusion</b>	<b>63</b>
<b>13. Conclusion</b>	<b>68</b>
<b>Annexure: Questionnaire</b>	<b>71</b>

# List of Figures

<b>Figure 1:</b>	Framework of analysis	9
<b>Figure 2:</b>	Segments of the financially served population explored by FinScope	10
<b>Figure 3:</b>	Rwandan districts	12
<b>Figure 4:</b>	Geographical distribution of commercial bank access points	13
<b>Figure 5:</b>	Geographical distribution of microfinance institution access points	13
<b>Figure 6:</b>	Geographical access of Umurenge SACCOs	13
<b>Figure 7:</b>	Level of financial inclusion amongst Rwandan adults	15
<b>Figure 8:</b>	Level of financial exclusion amongst Rwandan adults: Urban-rural comparison	15
<b>Figure 9:</b>	Level of financial exclusion amongst Rwandan adults: Provincial comparison	16
<b>Figure 10:</b>	Level of financial exclusion amongst Rwandan adults: Gender comparison	16
<b>Figure 11:</b>	Level of financial exclusion amongst Rwandan adults: Age group comparison	17
<b>Figure 12:</b>	Level of financial exclusion amongst Rwandan adults per highest level of education achieved	17
<b>Figure 13:</b>	Level of financial exclusion amongst Rwandan adults: Main income generating activities compared	17
<b>Figure 14:</b>	Level of financial exclusion amongst Rwandan adults: Ubudehe categories compared	17
<b>Figure 15:</b>	Trends in formal and informal inclusion: 2008 – 2012	18
<b>Figure 16:</b>	Trends in bank and non-bank formal product/service uptake: 2008 – 2012	19
<b>Figure 17:</b>	Trends in uptake of products/services provided by non-bank formal institutions: 2008 – 2012	19
<b>Figure 18:</b>	Trends in informal financial activities: 2008 – 2012	20
<b>Figure 19:</b>	Overlaps in uptake of financial products/services	20
<b>Figure 20:</b>	FinScope Rwanda Financial Access Strand: 2008 – 2012	21
<b>Figure 21:</b>	FinScope Rwanda Financial Access Strand: Urban-rural comparison	22
<b>Figure 22:</b>	FinScope Rwanda Financial Access Strand: Provincial comparison	22
<b>Figure 23:</b>	FinScope Rwanda Financial Access Strand: Gender comparison	23
<b>Figure 24:</b>	FinScope Rwanda Financial Access Strand: Age group comparison	23
<b>Figure 25:</b>	FinScope Rwanda Financial Access Strand per highest level of education achieved	24
<b>Figure 26:</b>	FinScope Rwanda Financial Access Strand: Comparing main income generating activities	24
<b>Figure 27:</b>	FinScope Rwanda Financial Access Strand: Ubudehe category comparison	24
<b>Figure 28:</b>	Usage of formal financial products: Formally served	25
<b>Figure 29:</b>	Usage of formal financial products: Rwandan adults	25
<b>Figure 30:</b>	FinScope landscape of access: Rwandan adults	26
<b>Figure 31:</b>	FinScope landscape of access: 2008 – 2012	27
<b>Figure 32:</b>	FinScope landscape of access: The role of the informal financial sector	27
<b>Figure 33:</b>	FinScope landscape of access: Urban-rural comparison	28
<b>Figure 34:</b>	FinScope landscape of access: Comparing main income generating activities	28
<b>Figure 35:</b>	Landscape of bank product access	30
<b>Figure 36:</b>	Bank product usage	31
<b>Figure 37:</b>	Main reasons for non-usage cited by banked adults who were not using their bank products	31
<b>Figure 38:</b>	Products/services used by adults served by non-bank formal financial institutions	32
<b>Figure 39:</b>	Landscape of non-bank formal product access	32
<b>Figure 40:</b>	MFI product usage	34
<b>Figure 41:</b>	Main reasons for non-usage cited by MFI clients who were not using their MFI products	34
<b>Figure 42:</b>	Umurenge SACCO product usage	37
<b>Figure 43:</b>	Main reasons for non-usage cited by Umurenge SACCO members who were not using their SACCO products	37
<b>Figure 44:</b>	Insurance and pension product uptake	38
<b>Figure 45:</b>	Rwandan Financial Access Strand if Mutuelle de Sante membership was regarded as formal financial inclusion	39
<b>Figure 46:</b>	Reasons for not using commercial bank services: Unbanked adults	49
<b>Figure 47:</b>	Reasons for not using insurance products: Uninsured adults	49

<b>Figure 48:</b>	Reasons for being unwilling to use mobile money: Adults who reported they won't use mobile money	49
<b>Figure 49:</b>	Reasons for not borrowing: Adults who did not take credit in the 12 months prior to FinScope 2012	50
<b>Figure 50:</b>	Remittance mechanisms used by adults who sent money in the six months prior to FinScope 2012	51
<b>Figure 51:</b>	Main reasons for saving: Adults who were saving at the time FinScope 2012 was conducted	51
<b>Figure 52:</b>	Savings mechanisms: 2008 – 2012	52
<b>Figure 53:</b>	FinScope 2012 Saving Strand	53
<b>Figure 54:</b>	Main reasons for borrowing money: Adults who borrowed in the 12 month prior to FinScope 2012	54
<b>Figure 55:</b>	Sources of credit: 2008 – 2012	55
<b>Figure 56:</b>	Sources of in credit: Adults who borrowed from informal sources in the 12 months prior to FinScope 2012	55
<b>Figure 57:</b>	FinScope 2012 Credit Strand	56
<b>Figure 58:</b>	Opportunities for increased formal inclusion: Determining the access frontier	63
<b>Figure 59:</b>	Income trend curves	63
<b>Figure 60:</b>	Socio-economic status: Percentage adults per Ubudehe household category	64
<b>Figure 61:</b>	Segmentation analysis	65
<b>Figure 62:</b>	District map	66
<b>Figure 63:</b>	Relative distribution of adults in the 'opportunity' segment per district	66
<b>Figure 64:</b>	Relative distribution of adults in the 'development' segment per district	67
<b>Figure 65:</b>	Relative distribution of adults in the 'poor' segment per district	67
<b>Figure 66:</b>	Country comparison of Financial Access Strands: Countries where FinScope surveys have been conducted	69

## List of Tables

<b>Table 1:</b>	FinScope indicators used to describe the level of financial inclusion amongst adults	10
<b>Table 2:</b>	Adults' perceptions about access to facilities	14
<b>Table 3:</b>	Adults' perceptions about public transport	15
<b>Table 4:</b>	Level of financial exclusion amongst Rwandan adults: District comparison	16
<b>Table 5:</b>	Changes in the banking sector: 2008 – 2012	19
<b>Table 6:</b>	Characteristics of the banked population	29
<b>Table 7:</b>	Bank products held by the banked population	30
<b>Table 8:</b>	Characteristics of MFI clients	33
<b>Table 9:</b>	Products held/used by MFI clients	34
<b>Table 10:</b>	Characteristics of Umurenge SACCO clients	36
<b>Table 11:</b>	Characteristics of informally served adults	40
<b>Table 12:</b>	Informal mechanisms used by informally served adults	41
<b>Table 13:</b>	Geographical distribution of the adult population	42
<b>Table 14:</b>	Demographic characteristics of the adult population	43
<b>Table 15:</b>	Attitudes and perceptions of Rwandan adults about money management	45
<b>Table 16:</b>	Attitudes and perceptions of Rwandan adults about financial institutions and products	48
<b>Table 17:</b>	Risk events experienced by Rwandan adults in the six months prior to FinScope 2012	57
<b>Table 18:</b>	Financial coping mechanisms applied by Rwandan adults when exposed to risk events in the six months prior to FinScope 2012	58
<b>Table 19:</b>	Financial coping mechanisms put in place by Rwandan adults to cope with main life events	59
<b>Table 20:</b>	Physical resources within Rwandan communities	62
<b>Table 21:</b>	Communal support within Rwandan communities	62



# Executive Summary

## Introduction

The ultimate aim of policies and strategies for financial inclusion is increased access to formal financial institutions and increased uptake and usage of formal financial products and services (i.e. those provided by regulated service providers). The target of the Government of Rwanda is to increase the proportion of formally served adults to 80% by 2017.

The findings from the FinScope Rwanda 2012 survey revealed that 72% of Rwandan adults were financially included – 42% were formally served (23% served by commercial banks and 33% served by non-bank formal institutions) and 58% used informal financial mechanisms.

Realisation of financial inclusion is only effective or functional if consumers:

- Have physical access to financial institutions – **Accessibility**.
- Are eligible to open an account or use a product or service – **Eligibility**.
- Can afford to open an account or use a product or service – **Affordability**.
- Open accounts or take up products or services – **Uptake**.
- Use their financial products to manage their financial lives – **Usage**.

## Accessibility, Eligibility and Affordability

FinScope 2012 findings revealed that:

- Proximity to financial institutions was not a barrier to formal financial inclusion. More than 90% of adult Rwandans lived within a 5km radius from a formal financial institution.
- Eligibility was not a barrier to formal financial inclusion. For most financial institutions strict deposit and minimum balance requirements do not apply. The main requirement for opening a basic entry level type of account was proof of identity. Carrying of the national identity card was obligatory to every Rwandan 16 years or older and therefore eliminated eligibility as a barrier to inclusion.
- Most Rwandan adults who were financially excluded did not regard affordability of products and services as a significant barrier to uptake.

## Uptake

Comparing the FinScope 2012 findings with that of the FinScope Rwanda 2008 survey indicated that there was a significant increase in uptake of financial products and services.

- Financial **exclusion** has dropped by 46% since 2008.
- In 2008 52% of adults (i.e. individuals 18 years or older) were financially excluded; in 2012 28% (1.3 million adults) were excluded and 72% (3.2 million adults) of Rwandan adults had or used financial products or mechanisms.
- The reduction in exclusion was caused by a significant increase in the proportion of adults who were formally served (i.e. who have or use a product or service from a formal financial institution).
  - In 2008, 21% of adults were formally served; this proportion increased to 42% in 2012
  - The increase in formal inclusion was caused by an uptake of banking products as well as of products offered by non-bank formal financial institutions (such as Umurenge SACCOs and insurance companies)
- The banked population increased from 14% of adults in 2008 to 23% in 2012.
- The establishment of Umurenge SACCOs has significantly changed the landscape of access to formal financial institutions in Rwanda. This intervention has been successful in providing formal financial services to Rwandans who would otherwise not have used formal financial services.
  - 22% of adults (1 million) were members of an Umurenge SACCO

- The proportion of adults with MFI accounts has not changed significantly since 2008 (it has to be noted however that some MFIs were registered as commercial banks since 2008).
- Despite the increase in the uptake of formal financial products, many Rwandans still used informal mechanisms to manage their money.
  - Informal inclusion increased from 39% in 2008 to 58% in 2012
  - 66% of individuals who had formal financial products also used informal mechanisms
- Insurance uptake has increased from 3% in 2008 to 7% in 2012.
  - Savings groups were not only a mechanism to save, but also played an important role in terms of social protection. Many Rwandans therefore belonged to savings groups despite their use of formal savings products provided by banks, SACCOs, etc.
- 37% of adults belonged to savings groups.
  - 45% of group members joined a savings group because it provided them with “someone to turn to” when in financial need

With 42% of adults being formally served and the Government of Rwanda having set a target of 80% formal inclusion by 2017, it is important to note that:

- A significant barrier to uptake of formal financial products and services was consumers’ lack of awareness or understanding of how the uptake and usage of financial products would improve their lives.
- FinScope 2012 findings further indicated that 1.4 million (56%) of the 2.3 million Rwandan adults who were not formally served were not very likely to offer new opportunities for formal financial inclusion in the short or medium term.
  - Poverty was a significant barrier for these individuals. Almost 50% of them were from households in the two lowest categories of the Ubudehe socio-economic classification system; 65% of them had often run out of cash and had had to make a plan for their daily needs in the six month period before the FinScope 2012 survey
  - A low level of education was another significant barrier; 54% of these individuals have never had any formal education

## Usage

- 42% of Rwandan adults were formally included.
  - 32% used a formal financial product or service in the six months prior to the FinScope survey; 23% in the month before the survey; and 10% had formal financial products but had not used them in six months
  - Umurenge SACCO products were more likely to be actively used than bank products especially in rural areas
- 36% of adults had formal savings products; 29% used a formal savings product in the six months prior to the FinScope survey; 20% in the month before the survey; and 7% had formal savings products but had not used them in six months.
  - 22% of adults had savings products with Umurenge SACCOs; 17% used an Umurenge SACCO savings product in the six months prior to the FinScope survey; 11% in the month before the survey; and 5% had an Umurenge SACCO savings product but had not used it in six months
- 40.2% of adults used informal savings mechanisms; 34% used an informal savings mechanism in the six months prior to the FinScope survey; 31% in the month before the survey.



# 1. Introduction

Rwanda's development policy is guided by **Vision 2020** (Ministry of Finance and Economic Planning, 2000). This statement articulates the Rwandan Government's aim to *"transform Rwanda into a middle income country, as well as an economic trade and communications hub by the year 2020"*. Illustrating its commitment to this vision, Rwanda has made significant progress over the last decade which has been characterised by sustained economic growth, significant poverty reduction and the beginning of economic transformation (2010/11 Integrated Household Survey (EICV3)):

- Poverty has declined from 58% in 2000/1 to 45% in 2012.
- There has been a reduction in the proportion of the population dependent on subsistence agriculture from 90% to 72%.
- Non-farm jobs increased from 200,000 to 500,000.
- There has been a steady growth in agricultural production, the agricultural sector growing at an average rate of 5.8% of GDP per annum between 2000 and 2010, the industrial sector at an average annual rate of 8.8% and the services sector at an average annual rate of 10.5% (Abbott et al 2012; Malunda 2012)<sup>1</sup>.

Vision 2020 set the stage for the financial sector reform process in Rwanda. The Rwandan Financial Sector Development Programme (FSDP) was *launched in 2006 with the vision to "develop a stable and sound financial sector that is sufficiently deep and broad, capable of efficiently mobilizing and allocating resources to address the development needs of the economy and reduce poverty"*. The FSDP is one of the key components in the implementation strategy for Vision 2020 (the Economic Development and Poverty Reduction Strategy of Rwanda (EDPRS)) and has four core objectives:

- To enhance access and affordability of financial services by developing a strong, efficient and competitive banking sector offering a diversified array of financial products and services. This includes support for the development and broad outreach of a healthy, well-regulated and professionally managed microfinance sector as a tool to extend financial services to the unbanked and to contribute to poverty reduction.
- To enhance savings mobilisation by creating an appropriate environment, developing institutions and fostering market incentives for the development of long-term financial instruments and an efficient capital market.
- To develop an appropriate policy, legal and regulatory framework for non-bank financial institutions.
- To develop an efficient, secure and technology-based modernised national payment system.

In pursuit of these objectives, the Government of Rwanda has implemented a number of key initiatives including:

- The establishment of Umurenge Savings and Credit Cooperatives (SACCOs) at local level to enable people to have easy access to financial services that meet their needs. One Umurenge SACCO was established in each of Rwanda's 416 sectors.
- Fast-tracking the Land Tenure Regularisation Process whereby all those with land held under customary tenure are required to register it. It is presumed that this initiative will result in an increased proportion of the Rwandan population being eligible in terms of the collateral requirements of secured loans.
- Putting in place guarantee funds whereby the Government partially guarantees individual loans reducing the need for collateral. These include initiatives such as:
  - The Agricultural Guarantee Fund managed by the National Bank of Rwanda (BNR) – the aim of which is to promote financing to viable rural projects without enough collateral or which are regarded as too risky by banks
  - A guarantee fund facilitating access to bank and microfinance credit for female entrepreneurs
- The establishment of the Vision 2020 Umurenge Programme (VUP), a programme targeted at supporting the poorest and most vulnerable. The VUP has three components:
  - The first component involves public works – using community-based participatory approaches in order to enable the poor to earn a cash income

<sup>1</sup> Abbott, P. (2012). *Report on a Deliberative Forum to Discuss EDPRS-2*. Kigali: Institute of Policy Analysis and Research – Rwanda  
Abbott, P., Malunda, D. and Festo, N. (2012). *Rwanda Case Study for the European Report*  
Abbott, P., Malunda, D., Mugishe, R., Mutesi, L. and Rucogoza, L. (2012). *Women's Economic Empowerment in Rwanda: A Situational Analysis*. Kigali: Ministry of Trade and Industry.  
Abbott, P. and Rwirahira, J. (2012). *The Socio-economic Status and Social Integration of Historically Marginalised Peoples*. Kigali: Ministry of Local Government.

- The second component involves the provision of individual and group loans aimed at the improvement of productive capacities such as diversification/specialising with regard to farming/livestock activities, developing off-farm skills and purchasing or building household or business assets
- The third component includes direct financial support (grants) to improve access to social services or to provide for landless households with no members qualifying for public works or credit packages. The most vulnerable households are identified at community level through a participatory exercise whereby households are divided into five so-called Ubudehe categories with categories 4 and 5 representing households which are the most vulnerable. It is these households that have access to or are eligible for a range of social protection measures. A key element of this policy has been the Mutual Health Insurance which provides basic medical cover for a modest annual payment and is open to all Rwandan residents. Households in Ubudehe categories 4 and 5 are entitled to have their membership fee waived. The Government's flagship nine year basic education (9YBE) was also introduced in 2008 and extended to 12 year basic education (12YBE) in 2012. School education is free and Government schools are not permitted to exclude children because they do not have school uniforms, text books or other school materials or because their parents do not make voluntary contributions to the school

Ultimately the goal of financial sector development and increased financial inclusion in Rwanda is to improve the lives of Rwandans. The premise is that access to secure savings products and other financial services will better enable the poor to build financial security, manage financial shocks, invest in education, health, housing and income generating opportunities – the cumulative effect being poverty reduction through greater participation in economic activities. The Government of Rwanda regards addressing financial exclusion as key to its strategy of moving the poor out of poverty in a sustainable manner. Looking forward, the Government wishes to encourage domestic saving and increase gross national savings from the 2010 figure of 10.8% to 20% by 2020 and to increase domestic credit to the private sector as a proportion of GDP from 12.8% in 2010 to 30% in 2020 (Vision 2020 Revised Indicators and Targets).

## 2. FinScope

FinScope is a research tool which was developed by FinMark Trust<sup>2</sup> to address the need for credible financial sector information. It provides insights to guide policy makers and regulators in terms of how to address or respond to some of the challenges they face in order to meet financial inclusion targets. It also provides financial service providers with crucial strategic information regarding their target markets and the financial services these markets need – enabling them to extend their reach and broaden the range of services they provide.

The FinScope survey provides a holistic understanding of how individuals generate an income and how they manage their financial lives. It identifies the factors that drive financial behaviour and those that prevent individuals from using financial products and services.

Implementing the FinScope survey over time further provides the opportunity to assess whether, and how, a country's situation changes.



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<sup>2</sup> FinMark Trust was established in March 2002 with initial funding from the UK's Department for International Development (DFID). FinMark Trust is an independent trust whose purpose is 'Making financial markets work for the poor, by promoting financial inclusion and regional financial integration'. In pursuit of its goal of improving the livelihoods of the poor through the usage of financial products and services, FinMark Trust recognises the complementary role of governments (as policymakers and regulators) and the private sector (as service providers) and believes that the availability of credible financial sector information enables effective, evidence-based dialogue amongst financial sector role players, and that this will facilitate the development of effective interventions that are essential for sustainable financial market development.

### 3. FinScope Rwanda

The first implementation of the FinScope survey Rwanda in 2008 was driven by a lack of credible information to guide policy interventions and financial service providers in their efforts to expand the reach and depth of the Rwandan financial system. This decision to implement FinScope Rwanda 2008 was urged by the BNR as the overall custodian of Rwanda’s financial sector.

In pursuit of their objective of removing systemic barriers to uptake of financial services, Access to Finance Rwanda<sup>3</sup> (AFR) needed to obtain information about how the landscape of access to, and usage of, financial services has changed since 2008. AFR therefore commissioned a follow-up survey in 2012.



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<sup>3</sup> AFR was launched in March 2010 at the request the Government of Rwanda and with support from DFID and the World Bank. The core objective of AFR is to remove systemic barriers to financial services by putting the poor at the centre of its interventions.

# 4. FinScope Rwanda 2012

After a competitive tender process, the Centre for Economic and Social Studies (CESS) was selected to conduct the FinScope Rwanda 2012 survey under the supervision of the National Institute of Statistics of Rwanda (NISR) and with technical support from Yakini Development Consulting (Yakini).

The main objective of the FinScope Rwanda 2012 Survey was to provide information on:

- Current levels of financial inclusion and how these have changed since 2008.
- The landscape of access (i.e. the types of financial services and products being used) and how this has changed since 2012.
- Barriers to financial products and services uptake.
- Drivers of financial products and services uptake.
- New opportunities for increased financial inclusion.

## 4.1. Survey and instrument design

The survey and instrument design phase was facilitated by AFR, with technical support provided by Yakini. This phase involved extensive consultation with public and private sector stakeholders. The NISR provided statistical and technical guidance.

The survey instrument was a structured questionnaire aligned with the survey objectives. The final questionnaire was translated into Kinyarwanda by CESS.

## 4.2. Sampling and listing

The validity of any survey depends on the reliability of the sampling framework. The FinScope sampling methodology entails three levels of sampling:

- The first level of sampling is conducted at Enumeration Area (EA) level. A sample of EAs is drawn using a “probability proportion to size” approach. For the 2012 survey 615 EAs were selected ensuring urban-rural, as well as, district representativeness.
- The second level of sampling is conducted at household level. During this sampling stage, a sample of households is selected at random from the households in each of the sampled EAs. In order to achieve this sample for each EA, the sampling process involves visiting each sampled EA and drawing up a list of all households in the EA. For the purpose of the 2012 survey a sample of ten households was drawn at random from the compiled household list for each EA.
- The third level of sampling is conducted at individual level. For the purpose of the 2012 survey, one individual (i.e. the intended respondent) was selected at random from all individuals 16 years or older in each of the sampled households in the EA.

Sampling was conducted by CESS in collaboration with the NISR. The household listing for each EA was conducted by CESS enumerators.

## 4.3. Fieldwork

Data collection was conducted by CESS during May/June 2012 over a period of 20 days. A total sample of 6150 interviews was achieved.

To ensure reliability of the data, extensive and comprehensive quality control measures were put in place. These measures were aimed at not only ensuring the quality and accuracy of the data collected during interviews, but also ensuring that the survey methodology was effectively implemented so that the validity and accuracy of extrapolation of the survey data could not be questioned.

Quality control measures implemented included:

- Two weeks of extensive enumerator training to ensure that field teams fully understood the requirements of the study, the survey methodology and the questionnaire. CESS recruited 100 enumerators for the purpose of training. Of these, 90 enumerators were selected to conduct the survey. The 15 best enumerators were designated as team leaders.
- A pilot survey to test the survey methodology, questionnaire effectiveness and the readiness of enumerators to go to field was conducted before fieldwork commenced. The pilot survey also enabled the CESS team to test and finalise the questionnaire and its translation.
- Field managers conducted spot-checks by attending a number of interviews of each enumerator. This approach helped to ensure that enumerators followed correct procedures and that corrective action could be taken timeously where enumerators experienced problems regarding any aspect of survey implementation or questionnaire administration.

To complement and verify these quality control measures, AFR, Yakini and NISR conducted independent field visits to verify field teams' implementation of the survey methodology and the interviewing process. Spot checks were also carried out on a number of completed questionnaires to assess completeness and logical consistency of interview data.

#### 4.4. Data processing

The survey data was captured by CESS using the Statistical Package for the Social Sciences (SPSS) software. Once the entire dataset was captured, extensive checks were carried out to ensure that the data was clean and without capturing errors. Any anomalies were reviewed and checked against the original questionnaires to establish validity.

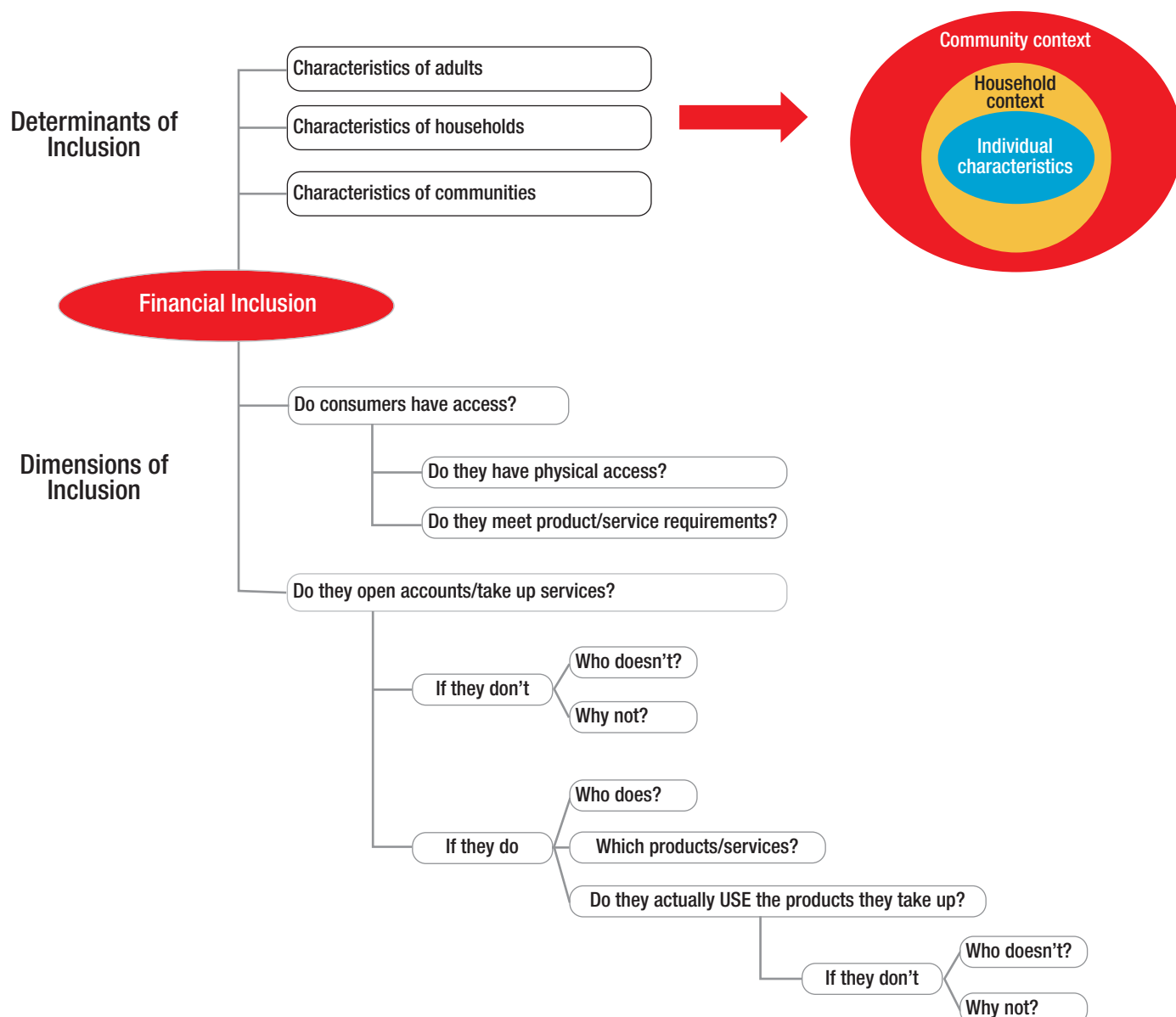
The data was weighted (taking into account the three levels of sampling) by CESS in order for the data to represent the Rwandan population 16 years or older. NISR carried out the final validation of the data and signed off the final dataset before data analysis commenced.

#### 4.5. Data analysis and reporting

The FinScope Rwanda 2012 data was analysed by the Institute of Policy Analysis and Research – Rwanda (IPAR) and Yakini using SPSS software. Aimed at achieving the survey objectives, the analysis framework that was applied attempted to provide insight and understanding regarding the following two main principles (Figure 1):

- *Financial inclusion* is only **effective** or functional if consumers have physical access to financial institutions; are eligible to open an account or use a product or service; and actually open an account or take up a product or service and then use it.
- Although physical access to a financial institution and eligibility to open an account or use a product are prerequisites for the uptake of financial services, the **actual uptake and usage of a financial service or product** depend on the individual. This would be influenced by:
  - Characteristics of the **individual** such as demographics, attitudes and perceptions about money, financial services and institutions, income levels, income generating activities and money management strategies
  - Structure of the **household**, role of the individual in the household and the influence thereof on the decisions of the individual
  - The attributes of the **community** the individual lives in, such as the level of access to infrastructure – does it provide physical access to financial institutions?

FIGURE 1: FRAMEWORK OF ANALYSIS<sup>4</sup>



#### 4.6. Supply side data

In order to effectively assess **physical access** to formal financial institutions as well as the extent to which Rwandans are **eligible** to take up formal financial services and products, basic supply side information was collected by AFR with support from BNR. This included the geographical distribution of formal financial institutions (including all branches, ATMs, agents and outlets), the kind of products/services they offer as well as the requirements that need to be met by individuals in order to take up these products/services.

#### 4.7. Qualitative assessment

After conducting the FinScope Rwanda 2012 survey and analysing the data, qualitative research was used to explore the findings from the survey in more depth. Focus group discussions and in-depth interviews with perceived key informants (SACCO managers, credit providing shop owners, NGO representatives and credit officers) were conducted by IPAR during August/September 2012. Focus group participants and key informants who participated in the qualitative research were purposively selected.

<sup>4</sup> Developed by Yakini

# 5. Defining Financial Inclusion

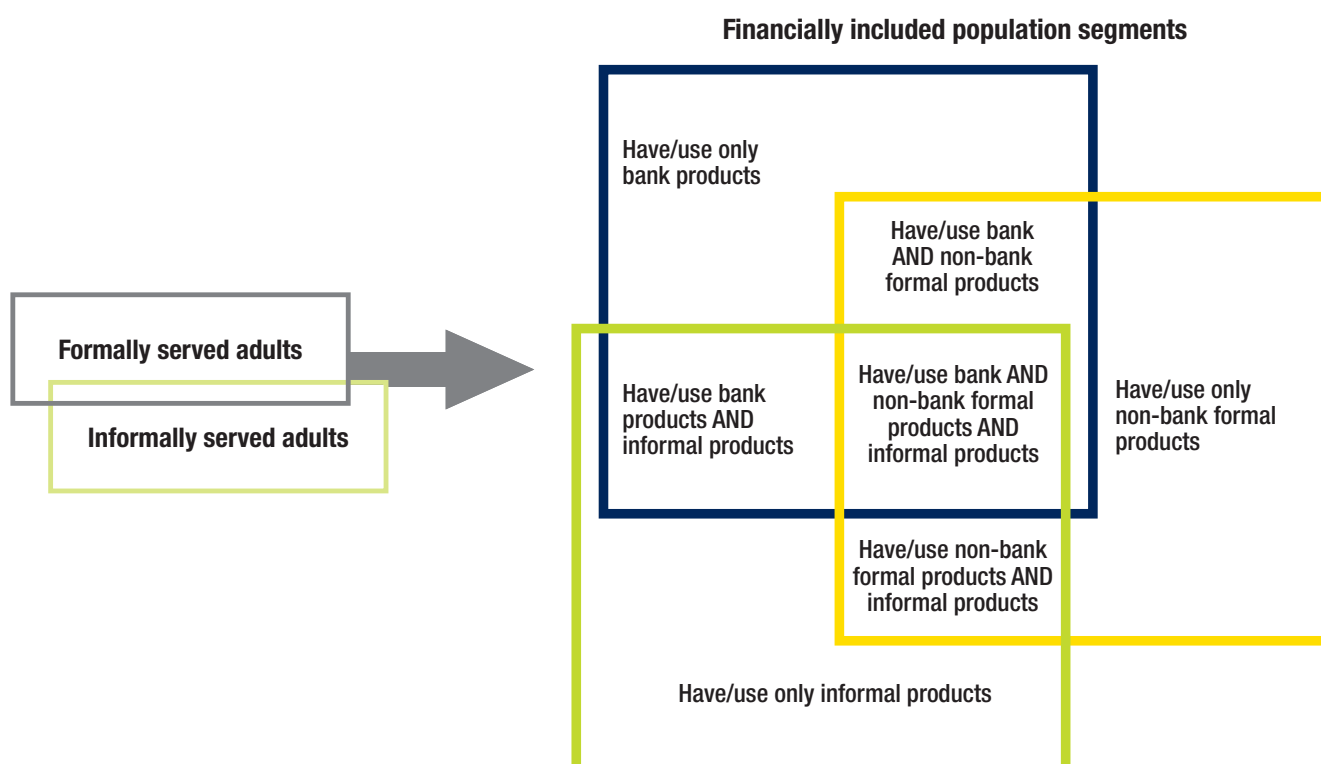
Expanding financial inclusion generally means enabling more individuals to have access to, take up and use financial products and services. In assessing levels of financial inclusion in a country, FinScope uses the following indicators:

**TABLE 1: FINSCOPE INDICATORS USED TO DESCRIBE THE LEVEL OF FINANCIAL INCLUSION AMONGST ADULTS**

Adult population	Includes individuals 18 years or older. This population is the universe for all financial inclusion analysis and is defined as such because 18 is the minimum age at which individuals can enter into a legal financial transaction in their own right in Rwanda
Banked	Includes adults who have or use any product or service from a commercial bank
Non-bank formal	Includes adults who have or use any product or service from any regulated or registered financial institution which is not a commercial bank e.g. SACCOs, microfinance institutions, insurance companies, Government loans and grants (such as VUP), mobile money systems, Western Union, money gram
Formally served	Includes adults who are EITHER banked OR who are served by formal non-bank financial institutions or BOTH
Informally served	Includes adults who use informal mechanisms to transact, save, borrow or manage their financial risks. This can include for example, credit or loans provided by agricultural associations, saving with groups such as village savings and lending associations (VSLAs) or savings groups/tontines, borrowing from community-based money lenders (Bank Lambert) or savings groups or sending money to family/friends by means of a so-called runner (taxi/bus driver) etc.
Financially included	Includes adults who are EITHER formally or informally included OR BOTH
Financially excluded	Includes adults who are NEITHER formally NOR informally served - for credit purposes they rely on family and friends, savings are kept at home or with family members and transactions are cash-based

Consumers generally use a combination of financial products and services to meet their financial needs. Figure 2 gives a schematic overview of the segments of the financially served population explored by FinScope.

**FIGURE 2: SEGMENTS OF THE FINANCIALLY SERVED POPULATION EXPLORED BY FINSCOPE**





## 5.1. The dimensions of financial inclusion

*Financial inclusion* is only **effective** or functional if consumers have physical **access** to financial institutions, are **eligible** to open an account or use a product or service, and actually open an account or **take up** a product or service and then **use** it. In measuring financial inclusion, FinScope therefore enables the determination of:

- The proportion of the adult population that has physical **access** to formal financial institutions (i.e. financial institutions regulated by the Central Bank). *Distance from the institution* (in kilometres) and the *amount of time taken to reach the institution* are used for this purpose.
- The proportion of the adult population that is **eligible** to open an account or use a product or service with a formal financial institution – in this regard **minimum KYC** (“*know-your-customer*”) **requirements for product/service uptake** enforced by the Central Bank are considered.
- The proportion of the adult population that is **financially included**. Both formal and informal inclusion is measured.
- The proportion of the adult population that is **financially served and uses financial products/services**.

## 5.2. The determinants of financial inclusion

Although physical access to a financial institution and eligibility to open an account or use a product/service are prerequisites for the uptake of financial services, the **actual uptake and usage of a financial service or product** depend on the individual. This could be influenced by a range of factors. FinScope attempts to highlight which factors influence uptake and usage by considering:

- Characteristics of the **individual** such as:
  - Demographics – age, gender, level of education
  - Income generating activities, levels of income and consistency/regularity of income
  - Attitudes and perceptions about money, financial services and institutions
  - Financial literacy, knowledge about financial products and services and an understanding by individuals of how financial products and services can help them improve their lives
  - Money management strategies including financial planning and risk management
- Characteristics of the **household** such as the structure of the household, role of the individual in the household and the influence thereof on the decisions of the individual.
- The attributes of the **community** the individual lives in such as the level of access it provides to infrastructure and financial institutions.



# 6. Financial Inclusion in Rwanda

As was mentioned earlier, the goal of financial sector development and increased financial inclusion is to improve the lives of all Rwandans, and more especially to enable the poor to build financial security, manage financial shocks and to invest in opportunities to generate income through access to secure savings facilities and other financial services. In line with this goal, it would also be any Government's objective to channel as much of the money in a country through the formal financial system in order to enhance the liquidity of financial institutions and ultimately increase their ability to provide credit and better interest on savings.

Broadly viewed, the overall objective of financial sector development would therefore be to decrease the proportion of the population who are financially excluded and to specifically drive formal inclusion.

In 2008, FinScope revealed that more than half (52%) of Rwandan adults (18 years or older) were financially excluded, 21% used formal financial products or services and 26% relied only on informal mechanisms to transact, save, borrow and mitigate financial risks. These findings led to more focused financial sector interventions. Within the broader objective of developing a stronger and more effective banking system and the mobilisation of Rwandans to save, there was a strong focus on specifically creating an appropriate environment that would enable access for those who were generally unlikely to make use of the existing formal financial institutions. The Umurenge SACCO initiative was launched in 2009 with the resolution to reach out to those consumers who were generally unattractive to banks.

The FinScope Rwanda 2012 survey findings provide insight into the impact of these and other financial sector development efforts in recent years. The findings also identify opportunities for further development.

## 6.1. Physical access to formal financial institutions

In order to assess the extent to which Rwandan adults had access to formal financial institutions in Rwanda, the FinScope 2012 survey looked at:

- The geographical distribution of Rwandan adults in relation to the geographical distribution of formal financial institutions.
- The awareness of adults regarding the location of these institutions and their perceptions regarding physical accessibility.

Data collected by AFR for the FinScope 2012 survey regarding the physical locations of access points of formal financial institutions, and census data provided by the NISR, enabled the geographical mapping of the location of access points in relation to the geographical distribution of adults (Figures 4 to 6). This led to the conclusion that physical access or proximity to financial institutions did not serve as a major obstacle to formal financial inclusion:

- 88% of Rwandan adults lived within an 8km radius of a commercial bank access point whilst 60% lived within a 5km radius.
- 68% of adults lived within an 8km radius of a microfinance institution access point; 44% within a 5km radius.
- 91% of adults lived within a 5km radius of an Umurenge SACCO; 56% lived within a 3km radius.

FIGURE 3: RWANDAN DISTRICTS



FIGURE 4: GEOGRAPHICAL DISTRIBUTION OF COMMERCIAL BANK ACCESS POINTS

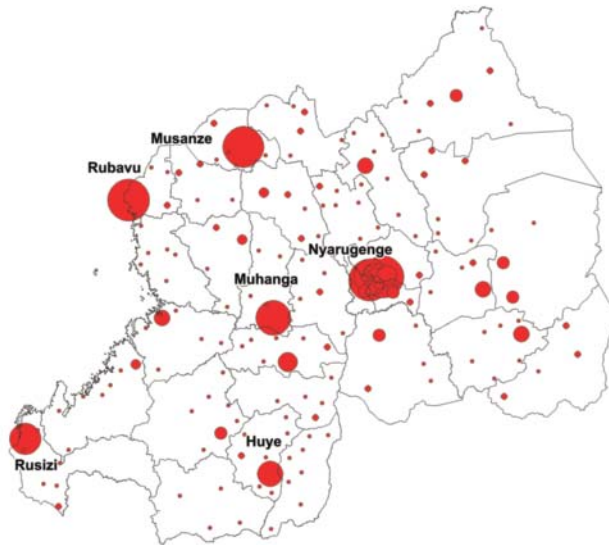


FIGURE 5: GEOGRAPHICAL DISTRIBUTION OF MICROFINANCE INSTITUTION ACCESS POINTS

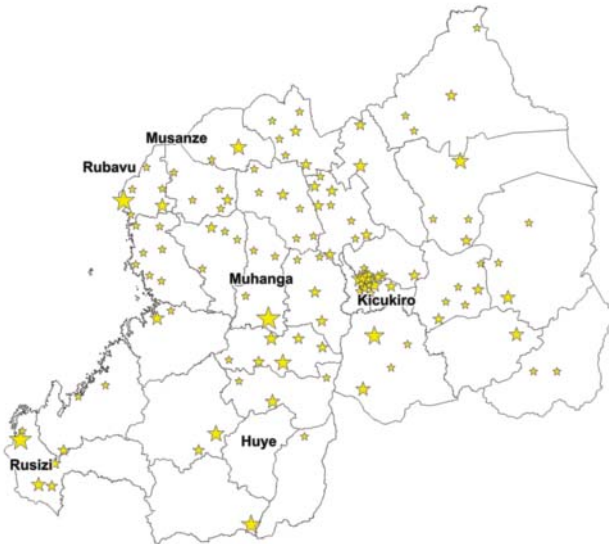


FIGURE 6: GEOGRAPHICAL ACCESS OF UMURENGE SACCOS



\* Larger icons indicative of larger concentrations of institutions

FinScope 2012 findings indicated that the most prevalent factor considered by Rwandan adults in choosing formal financial institutions was **convenience of access**. Based on the premise that the longer it takes to access infrastructure or a service, the less likely it is to be used, the Government of Rwanda aims to make services available to people within an hours' walking distance, the FinScope 2012 survey also enabled the assessment of **perceptions regarding the amount of time it would take to assess formal financial institutions**.

The findings summarised in Table 2 indicated that financial institutions were perceived to be less accessible (in terms of proximity from place of residence) than other facilities such as markets, sector offices, schools and health care facilities. Factors related to the accessibility, affordability and reliability of public transport further restricted access to financial institutions, especially in rural communities and urban areas outside of Kigali City (Table 3).

**TABLE 2: ADULTS' PERCEPTIONS ABOUT ACCESS TO FACILITIES**

% adults with access within an hour			
Facility	Kigali City	Other urban	Rural
Market	84	73	80
Sector office	84	61	54
Health care facility	85	69	61
Taxi rank	85	69	47
Umurenge SACCO	84	63	56
Bank	77	57	38

**TABLE 3: ADULTS' PERCEPTIONS ABOUT PUBLIC TRANSPORT**

% adults			
	Kigali City	Other urban	Rural
Reliable	86	64	47
Affordable	69	37	28
Safe to use	87	73	58

## 6.2. Eligibility

Product information collected from Rwandan financial institutions suggested that the main requirement for opening a basic entry-level type of account included **proof of identity and the provision of two passport photographs**. For most financial institutions strict deposit and minimum balance requirements do not apply for these types of products.

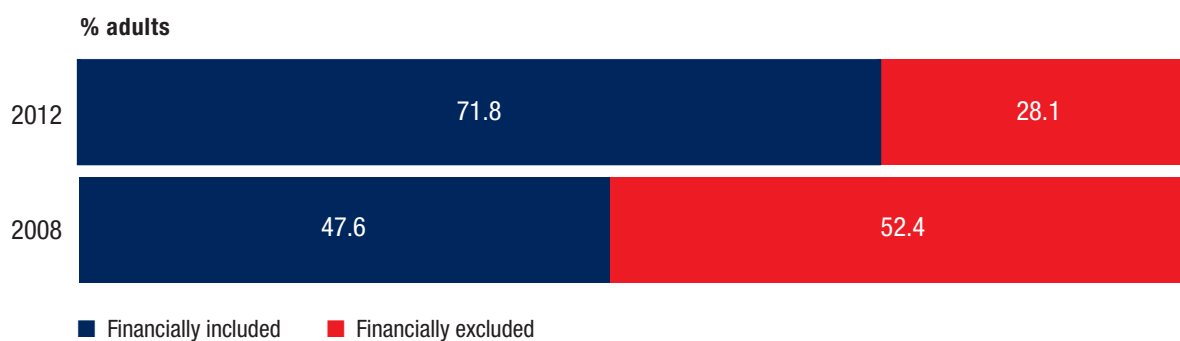
As carrying of a national identity card is obligatory for every Rwandan aged 16 years or older, eligibility, like physical access, did not seem to serve as a major obstacle to formal financial inclusion.

### 6.3. Levels of financial inclusion<sup>5</sup>

FinScope 2012 findings revealed that:

- 72% of the adult population was financially included, leaving 28% (1.3 million) financially excluded (Figure 7).
- Financial **exclusion** has decreased by 46% since 2008 when 52% of the adult population was excluded.
- Geographically:
  - Exclusion was higher in areas outside of Kigali City (Figure 8) with most of the excluded adult population (1 million) residing in rural areas
  - In terms of provinces, the Northern Province, with 33.7% of adults excluded, showed the highest level of exclusion (Figure 9)
  - In terms of districts (Table 4), the highest levels of exclusion were illustrated for Nyaruguru, Risizi, Gakenke and Ngoma, whilst the districts of Nyamasheke, Gicumbi and Karongi also showed exclusion levels significantly higher than the national level of 28% exclusion
- Demographically:
  - Females were significantly more likely to be excluded than males (Figure 10)
  - Young adults and individuals older than 60 years were most likely to be excluded (Figure 11)
  - Adults with lower levels of education were more likely to be excluded (Figure 12)
  - In terms of income generating activities, farmers and those who generate an income through piece work were most likely to be excluded (Figure 13)
  - There was a significant relationship between Ubudehe categories and exclusion (Figure 14) – adults from Ubudehe category 1 and 2 households were most likely to be excluded; 48% of adults who were financially excluded were from households in these two Ubudehe categories

**FIGURE 7: LEVEL OF FINANCIAL INCLUSION AMONGST RWANDAN ADULTS**

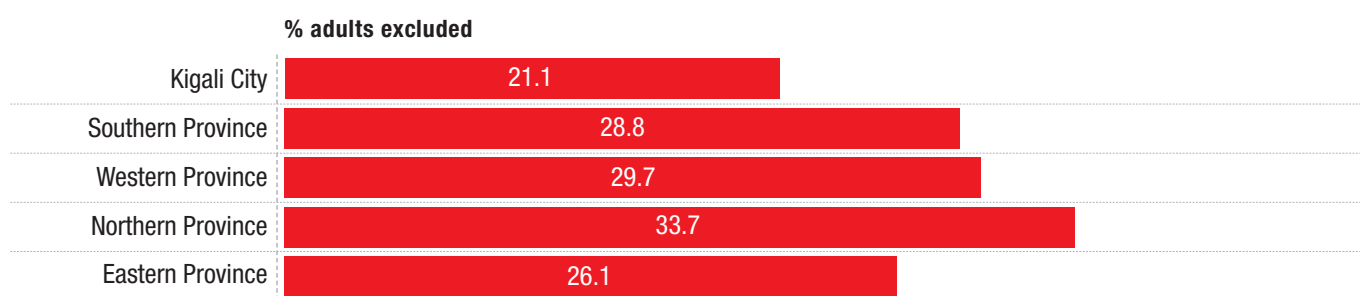


**FIGURE 8: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: URBAN-RURAL COMPARISON**

	% adults excluded	
Kigali City	21.1	139 000 adults
Other urban	28.7	147 000 adults
Rural	29.4	1 million adults

<sup>5</sup> As per the definition in Table 1, individuals were regarded as being financially included if they were 18 years or older and had/used any financial products, services or mechanisms to assist them to manage his/her financial matters; excluded individuals were individuals 18 years or older who did not have/use any financial products, services or mechanisms – for credit purposes they relied on family and friends, savings were kept at home or with family members and transactions were cash-based.

**FIGURE 9: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: PROVINCIAL COMPARISON**



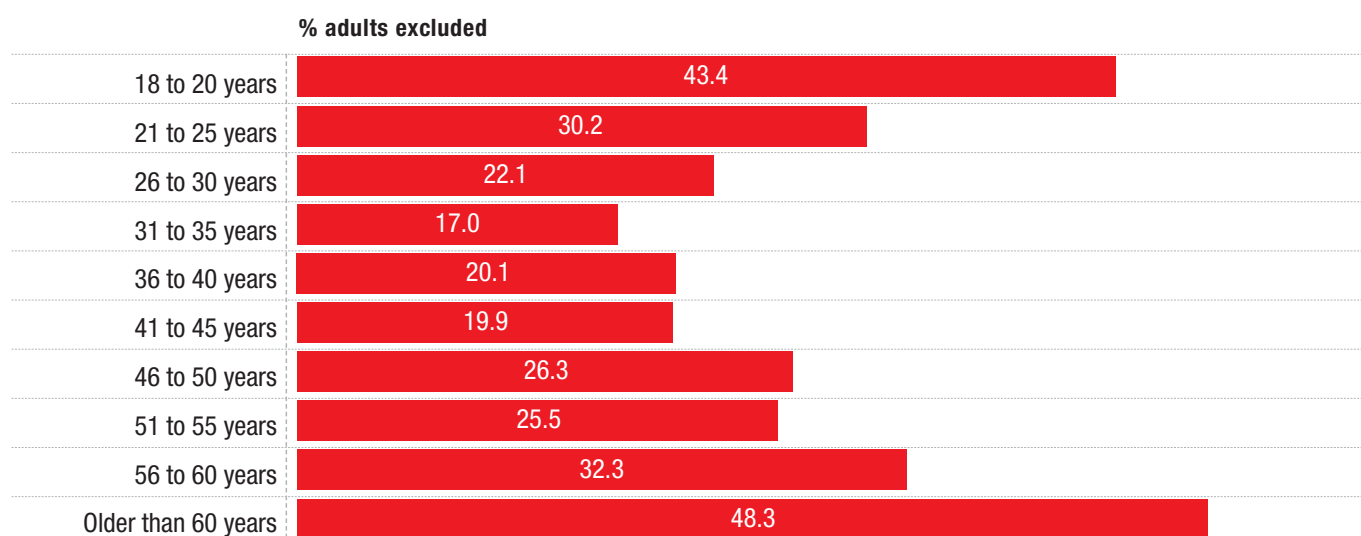
**TABLE 4: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: DISTRICT COMPARISON**

% adults excluded			
District	%	District	%
Ruhango	14	Nyamagabe	31
Nyagatare	17	Bugesera	32
Nyabihu	17	Ngororero	32
Rwamagana	19	Burera	32
Kayonza	19	Rulindo	32
Kicukiro	19	Huye	32
Rubavu	20	Kirehe	32
Gasabo	21	Kamonyi	33
Nyarugenge	22	Karongi	33
Muhanga	24	Gicumbi	37
Nyanza	24	Nyamasheke	37
Gatsibo	25	Ngoma	40
Rutsiro	25	Gakenke	40
Musanze	27	Rusizi	41
Gisagara	30	Nyaruguru	42

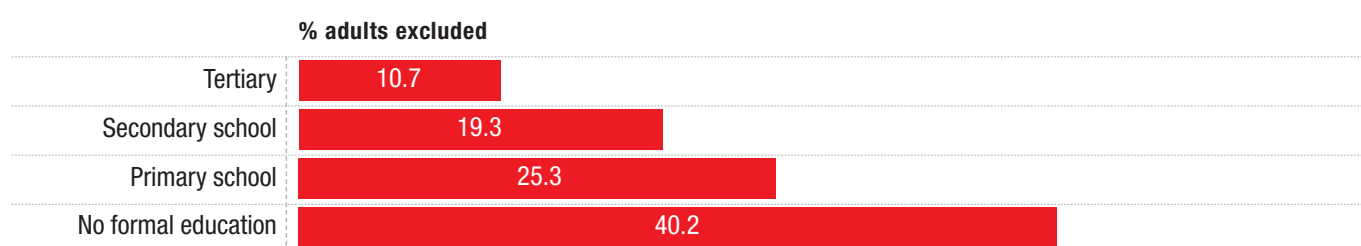
**FIGURE 10: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: GENDER COMPARISON**



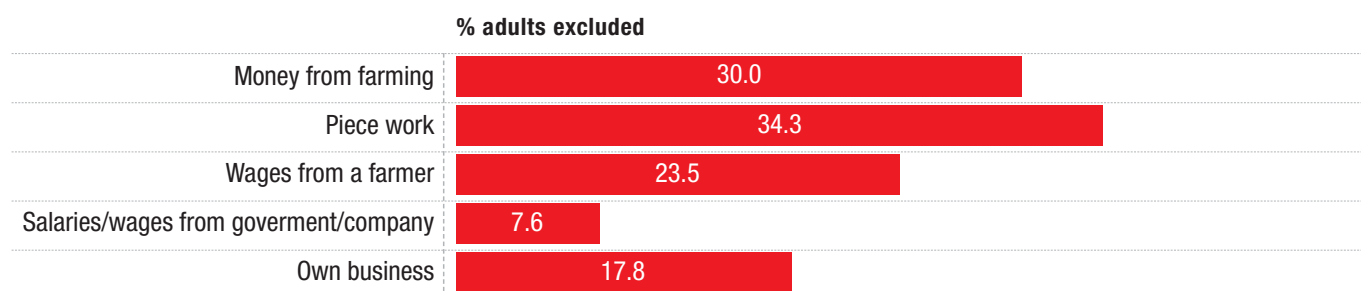
**FIGURE 11: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: AGE GROUP COMPARISON**



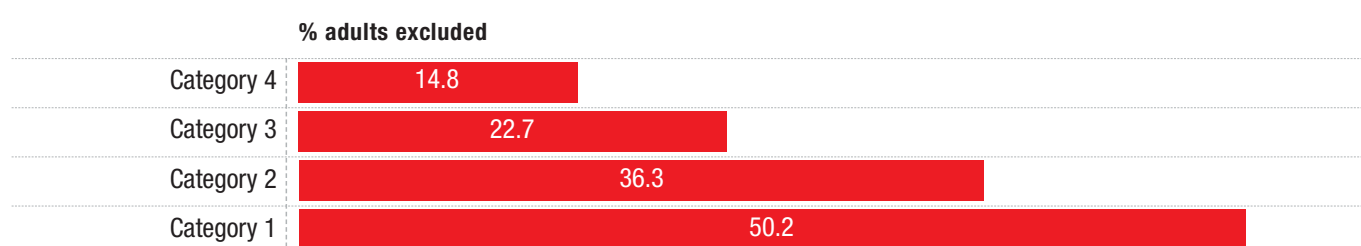
**FIGURE 12: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS PER HIGHEST LEVEL OF EDUCATION ACHIEVED**



**FIGURE 13: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: MAIN INCOME GENERATING ACTIVITIES COMPARED**



**FIGURE 14: LEVEL OF FINANCIAL EXCLUSION AMONGST RWANDAN ADULTS: UBUDEHE CATEGORIES COMPARED**



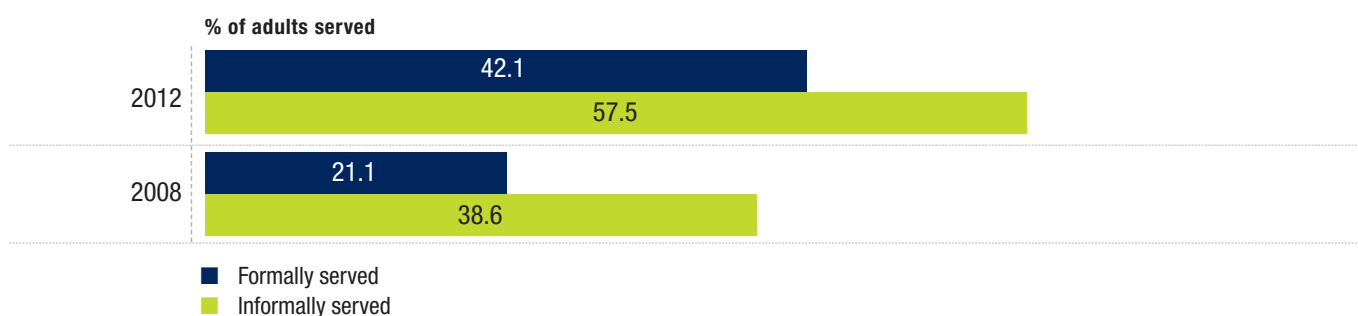
Note: The sample for adults from households in categories 5 and 6 were too small to analyse

## 6.4. Drivers of increased levels of financial inclusion

To get a better understanding of whether it was an increase in formal financial activities or an increase in informal financial activities that resulted in the significant decrease in financial exclusion since 2008, further analysis focused on the changes in formal and informal inclusion<sup>6</sup> since 2008. This analysis revealed (Figure 15) that there was an overall increase in financial activity – both formal and informal:

- The proportion of adults who had or used formal financial products or services increased from 21% in 2008 to 42% (1.9 million) in 2012.
- The proportion of adults who were using informal financial mechanisms increased from 39% in 2008 to 58% (2.6 million) in 2012.

**FIGURE 15: TRENDS IN FORMAL AND INFORMAL INCLUSION: 2008 – 2012**



FinScope subdivides formal financial institutions<sup>7</sup> into:

- Commercial banks.
- Non-bank formal financial institutions such as microfinance institutions (MFIs), SACCOs, insurance companies, mobile money service providers, money transfer service providers such as Western Union, etc.

FinScope findings, summarised in Figure 16, revealed that the increase in formal financial inclusion was the result of an increase in both the proportion of adults who had/used commercial bank products and services and the proportion of adults who had/used non-bank formal financial services/products:

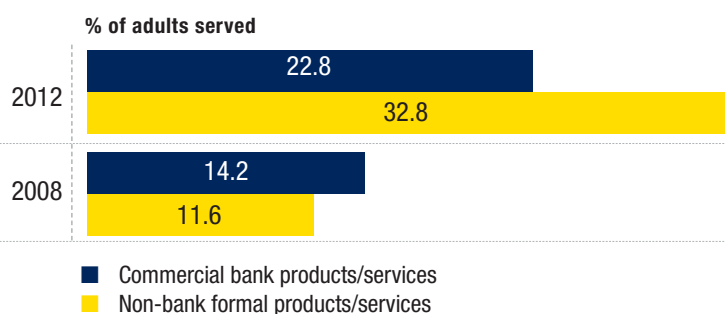
- The proportion of adults who had/used commercial bank products increased from 14% in 2008 to 23% (1 million adults).
  - A combination of new banks entering the market and greater reach through the deployment of more branches and ATMs explains much of this increase (Table 5)
  - It should be noted that banking figures were also increased by a number of the more established MFIs like Urwego Opportunity Bank, Agaseke Bank and Unguka Bank being registered as commercial banks since 2008
- The proportion of adults who had/used non-bank products or services increased from 12% in 2008 to 33% (1.5 million adults).
  - The increase in uptake of non-bank formal financial services and products was mainly caused by the significant uptake of Umurenge SACCO products and services (Figure 17) that were introduced in 2009 – 22% of adults (1 million) were served by Umurenge SACCOs in 2012
  - An increase in uptake of insurance products also contributed to the increase in the proportion of adults served by non-bank formal financial insurance – 7% of adults (330 000) were insured in 2012 compared to less than 3% in 2008 (Figure 17)

<sup>6</sup> As per the definitions in Table 1 individuals were regarded as formally served or included if they were 18 years or older and they had/used financial products, services or mechanisms provided by a regulated financial institution to assist them to manage their financial lives i.e. products/services provided by commercial banks, MFIs, SACCOs, insurance companies, mobile money service providers, money transfer service providers such as Western union etc. Individuals were regarded as informally served if they were 18 years or older and used financial services or mechanisms not provided by regulated financial institutions i.e. services provided by agricultural associations/co-operatives, savings groups, VSLAs, money lenders in the community (Bank Lambert), shop credit, etc. These categories are NOT mutually exclusive – individuals can use both formal and informal products and services.

<sup>7</sup> Formal financial institutions were defined as financial institutions regulated by BNR.



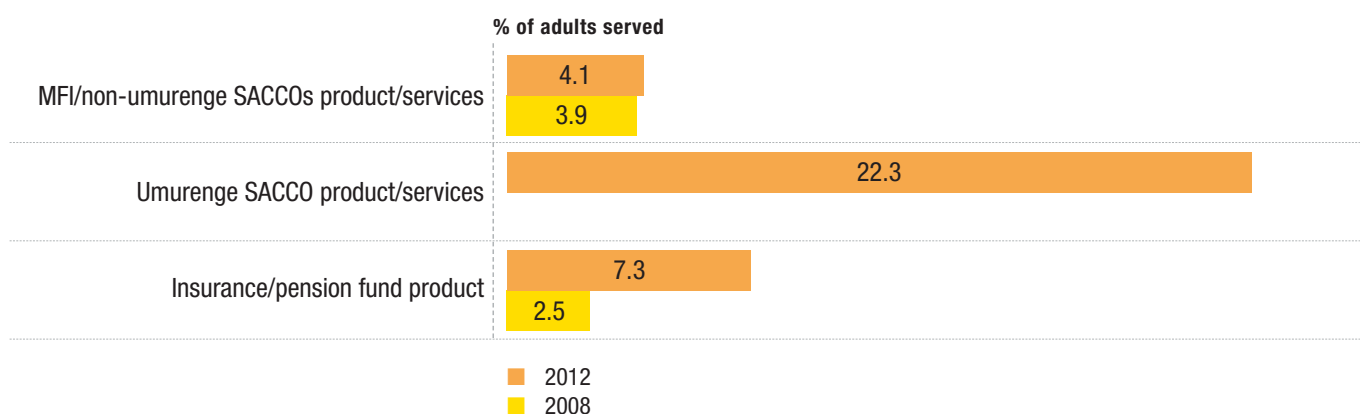
**FIGURE 16: TRENDS IN BANK AND NON-BANK FORMAL PRODUCT/SERVICE UPTAKE: 2008 – 2012**



**TABLE 5: CHANGES IN THE BANKING SECTOR: 2008 – 2012**

Change in the Rwandan banking situation: 2008/2009 to 2012			
Banks: 2008/2009		Banks: 2012	
Access Bank	259 branches and outlets	Access Bank	467 branches and outlets; 229 ATMs
Banque Commerciale du Rwanda		Banque Commerciale du Rwanda	
Banque de Kigali		Banque de Kigali	
Banque Populaire		Banque Populaire	
Cogebanque		Cogebanque	
Ecobank		Ecobank	
Finabank		Finabank	
Zigama Credit and Saving Society		Zigama Credit and Saving Society	
Kenya Commercial Bank*		Kenya Commercial Bank	
Urwego Opportunity Bank*		Urwego Opportunity Bank	
*Not part of the banking sector when FinScope 2008 was conducted		Equity Bank	
		Agaseke Bank	
		Unguka Bank	

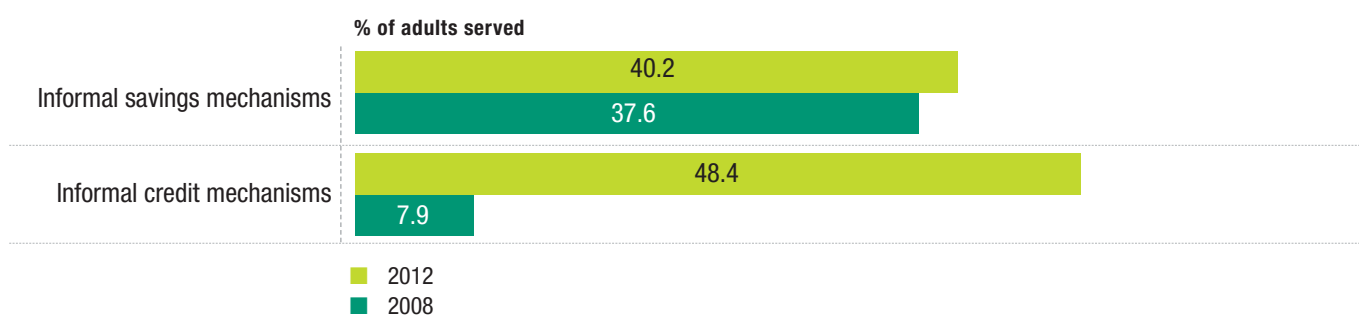
**FIGURE 17: TRENDS IN UPTAKE OF PRODUCTS/SERVICES PROVIDED BY NON-BANK FORMAL INSTITUTIONS: 2008 – 2012**



'Informal financial activities' in Rwanda predominantly refers to informal savings and borrowing activities. FinScope findings summarised in Figure 18 indicated that the increase in the proportion of Rwandan adults that were informally served was mainly the result of a significant increase in the proportion of adults claiming to make use of informal credit mechanisms:

- The proportion of adults who saved through informal savings mechanisms such as savings groups/*tontines*, VSLAs increased slightly from 38% in 2008 to 40% (1.8 million adults) in 2012.
- The proportion of adults who made use of informal credit mechanisms such as community-based money lenders (Bank Lambert/shylocks) or savings groups showed a highly significant increase from 8% in 2008 to 48% (2.2 million adults) in 2012.

**FIGURE 18: TRENDS IN INFORMAL FINANCIAL ACTIVITIES: 2008 – 2012**

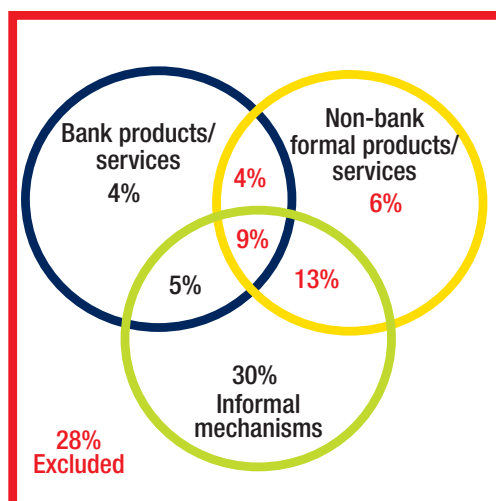


## 6.5. Overlaps in uptake of financial products/services

Consumers generally use a combination of financial products and services to meet their financial needs. FinScope 2012 findings (Figure 19) indicated that:

- Having/using formal financial products and services alone did not meet the financial needs of most of the formally served population.
  - 66% of formally served adults used informal financial mechanisms to complement the formal products/services they had/used
- Having/using bank products and services alone did not meet the financial needs of most of the banked population.
  - Only 17% of banked adults had/used commercial bank services only
  - 59% of banked adults had/used non-bank formal services in combination with their bank services, whilst 64% used informal mechanisms to complement their bank services

**FIGURE 19: OVERLAPS IN UPTAKE OF FINANCIAL PRODUCTS/SERVICES**



## 6.6. FinScope Financial Access Strand

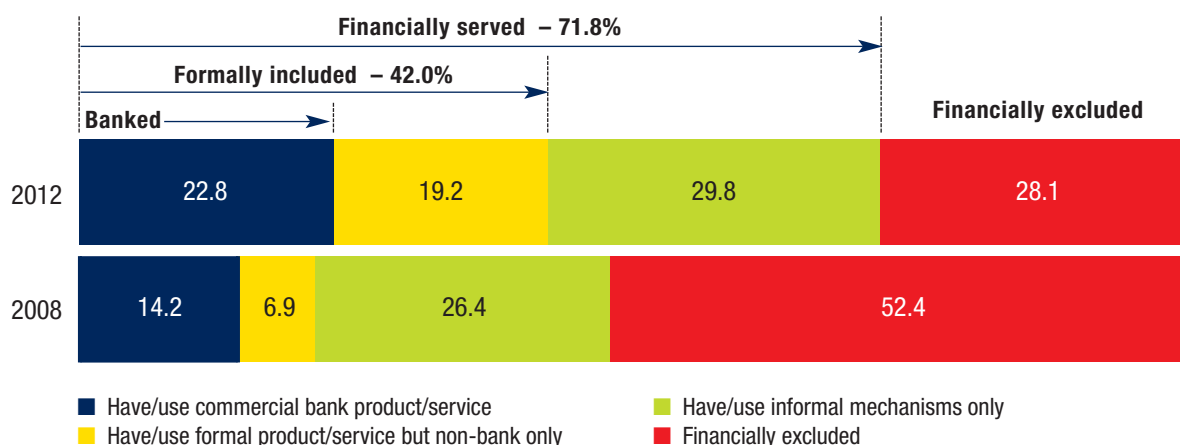
The FinScope Access Strand is constructed based on the premise that the ultimate goal of financial inclusion initiatives is **formal** financial inclusion. It is therefore constructed to illustrate the:

- % of adults that are **financially excluded**.
- % of adults who are financially served but not formally served – i.e. % of adults who are **informally served only**.
- % of adults who are formally served but not banked – i.e. % of adults who are **served by non-bank formal financial institutions but not by commercial banks**.
- % of adults who are banked – i.e. % of adults who are **served by commercial banks**.

When the 2008 access strand was compared with the 2012 access strand, the significant shift in formal inclusion as a result of recent financial sector development interventions was clearly illustrated (Figure 20).

- The percentage of banked adults increased from 14% in 2008 to 23% in 2012.
- The percentage of adults that was served by non-bank formal institutions but not by commercial banks increased from 7% in 2008 to 19% in 2012. This represented the most significant contribution towards increased financial inclusion amongst Rwandan adults. Interpreted together with the findings summarised in Figure 17, it was clear that this was mainly due to the establishment of Umurenge SACCOs. This intervention clearly provided formal financial services access to consumers who would not normally have used the existing formal financial institutions and services.
- The percentage of adults that relied on the informal sector only increased from 26% in 2008 to 30% in 2012. It could therefore be concluded that, although there was a significant growth in the informal sector since 2008 (Figure 15), this growth did not contribute significantly towards increased financial inclusion amongst Rwandan adults. Rather, it represented increased usage of informal services amongst individuals who were formally served.

**FIGURE 20: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: 2008 – 2012**

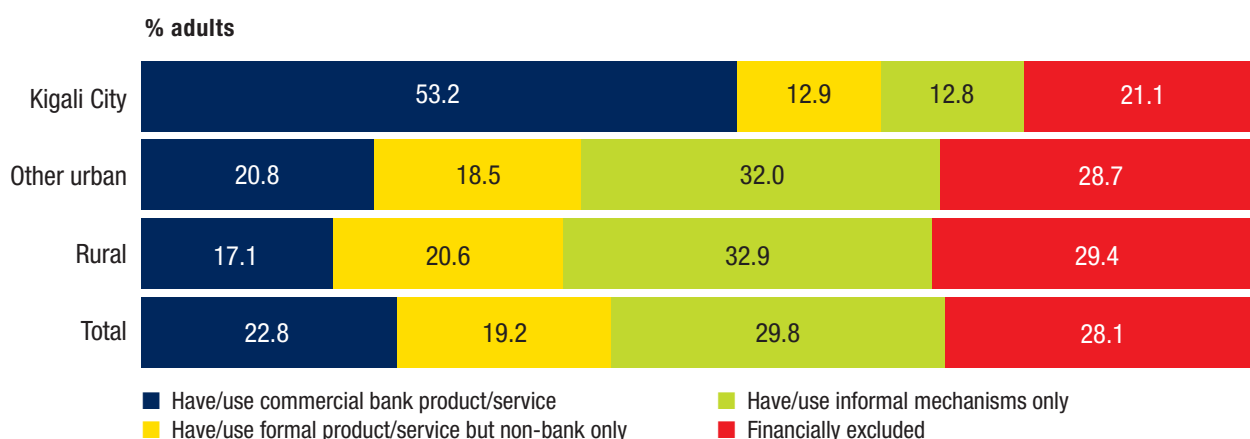


Access Strand findings summarised in Figures 21 to 27 revealed that:

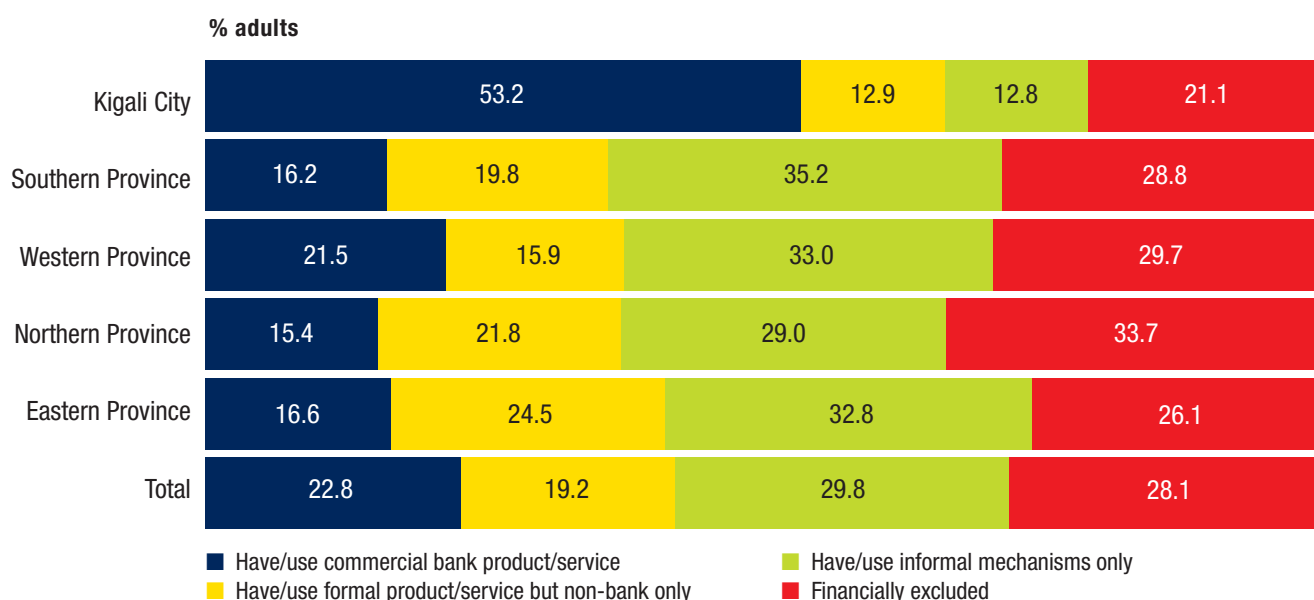
- There were geographic differences with regard to financial inclusion:
  - Adults residing in Kigali City were most likely to be formally served and least likely to rely on informal financial mechanisms only (Figures 21 and 22); they were also most likely to be banked
  - There was no significant difference between adults residing in rural areas and those residing in urban areas outside of Kigali City (Figure 21) although those from urban areas were slightly more likely to be banked
  - In terms of the rural provinces (i.e. excluding Kigali City), adults residing in the Eastern Province were most likely to be formally served whilst those from the Western Province were most likely to be banked (Figure 22); reliance on the informal sector was the highest in the Southern Province

- There were also demographic differences with regard to financial inclusion:
  - Males were more likely to be formally served than females (Figure 23); both the commercial bank and the non-bank formal sectors contributed more significantly to formal financial inclusion for males than for females, with females being more likely to depend on the informal sector for financial inclusion
  - In terms of age groups, young adults and those older than 60 years were least likely to be financially served (Figure 24) – not only were they least likely to be formally served but they were also least likely to rely on the informal sector for financial inclusion; the role of non-bank formal institutions in terms of formal inclusion was the least significant in terms of young adults
  - There was a significant relationship between highest level of education achieved and financial inclusion (Figure 25) – adults having achieved higher levels of education were more likely to be financially included and also more likely to be formally served
  - The formal financial sector, commercial banks in particular, were most likely to serve adults who relied on salaries and wages for an income and less likely to serve those with irregular, inconsistent sources of income (Figure 26); business owners were however significantly better served by this sector than farmers, farmworkers and those who relied on piece work; non-bank formal institutions (Umurenge SACCOs in particular) contributed most significantly towards financial inclusion for those who earned an income from farming and farm work
  - Findings summarised in Figure 27 once again illustrate the significant relationship between financial inclusion and socio-economic status – formal financial inclusion increased with socio-economic status of the household whilst reliance on the informal sector was higher amongst adults from households with lower socio-economic status

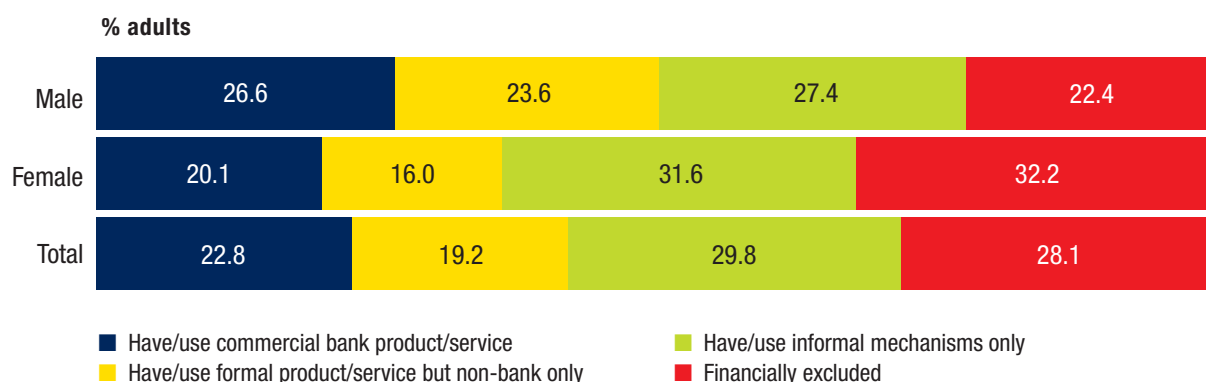
**FIGURE 21: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: URBAN-RURAL COMPARISON**



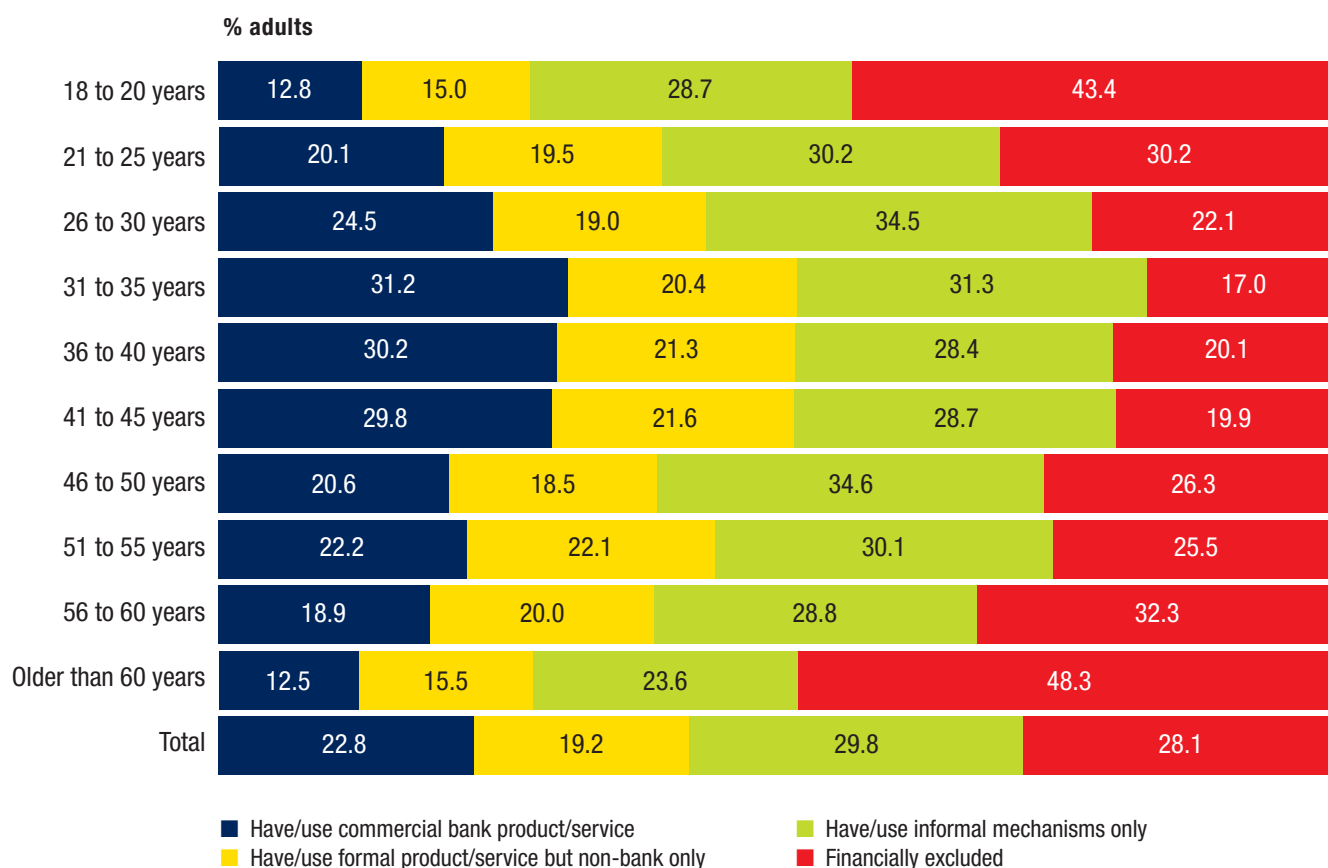
**FIGURE 22: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: PROVINCIAL COMPARISON**



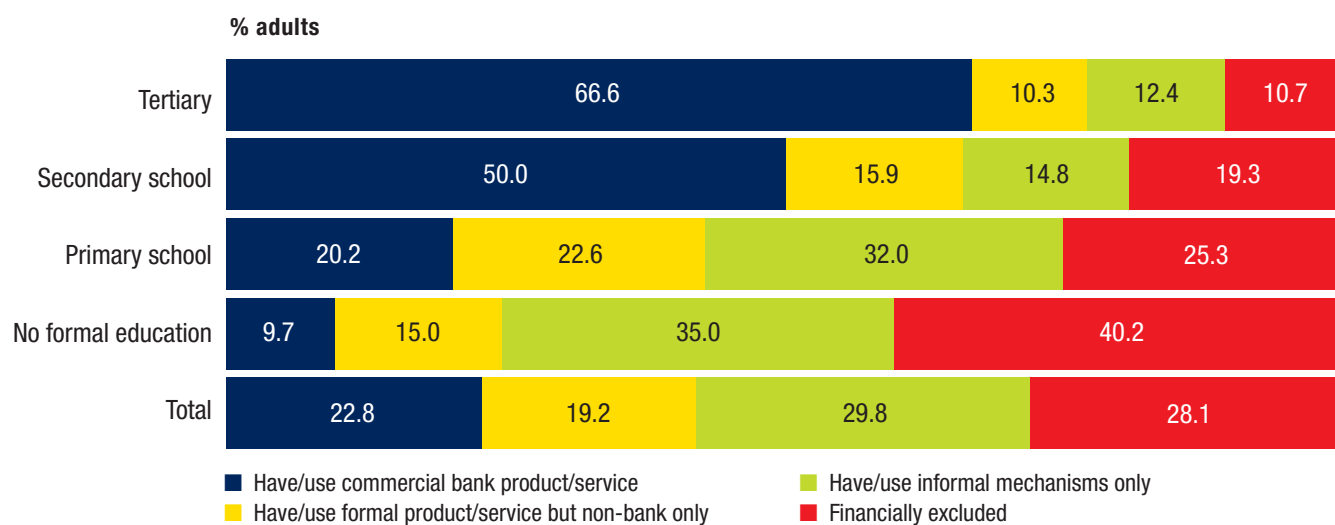
**FIGURE 23: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: GENDER COMPARISON**



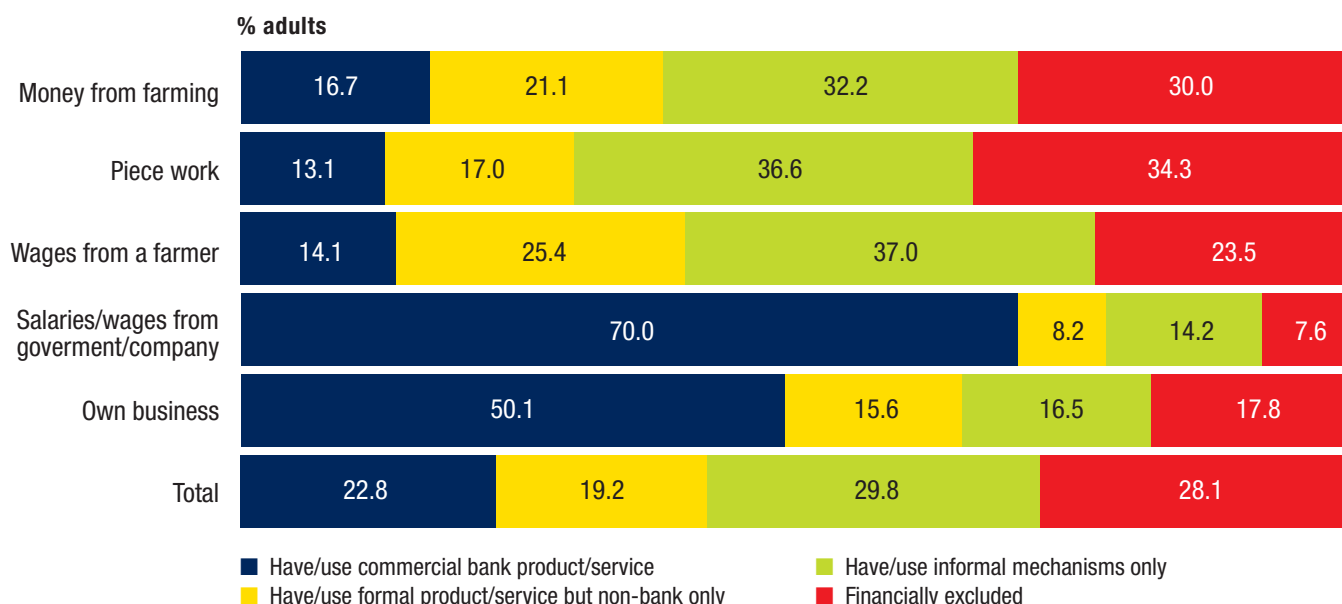
**FIGURE 24: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: AGE GROUP COMPARISON**



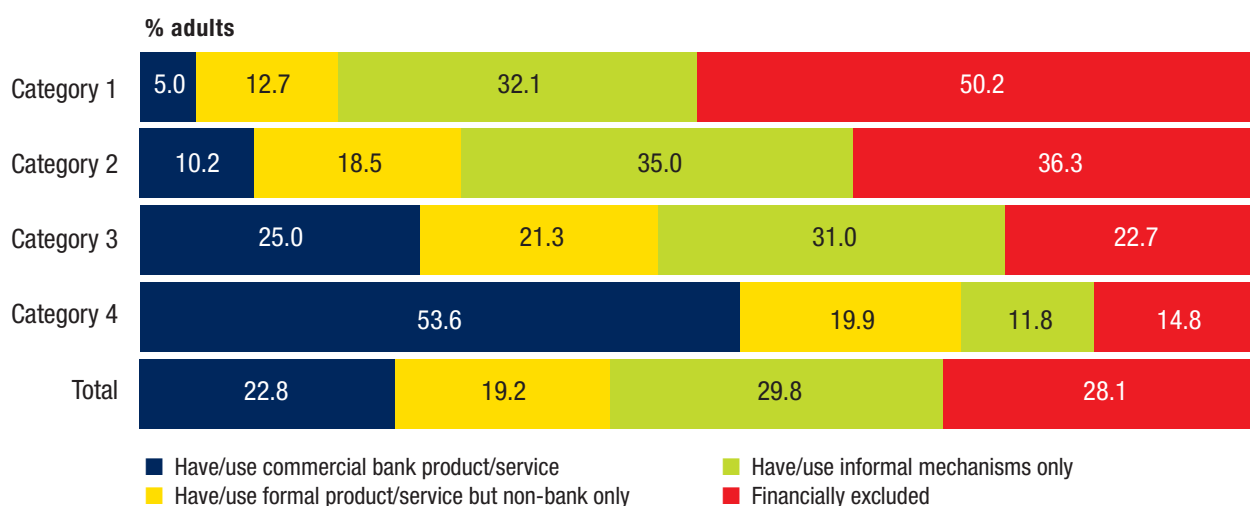
**FIGURE 25: FINSCOPE RWANDA FINANCIAL ACCESS STRAND PER HIGHEST LEVEL OF EDUCATION ACHIEVED**



**FIGURE 26: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: COMPARING MAIN INCOME GENERATING ACTIVITIES**



**FIGURE 27: FINSCOPE RWANDA FINANCIAL ACCESS STRAND: UBUDEHE CATEGORY COMPARISON**



Note: The sample for adults from households in categories 5 and 6 were too small to analyse

## 6.7. Usage of financial products and services

Although financial sector development interventions are aimed at increased inclusion, the lives of consumers will only be improved by inclusion if the products and services that they take up are used because they meet their financial needs.

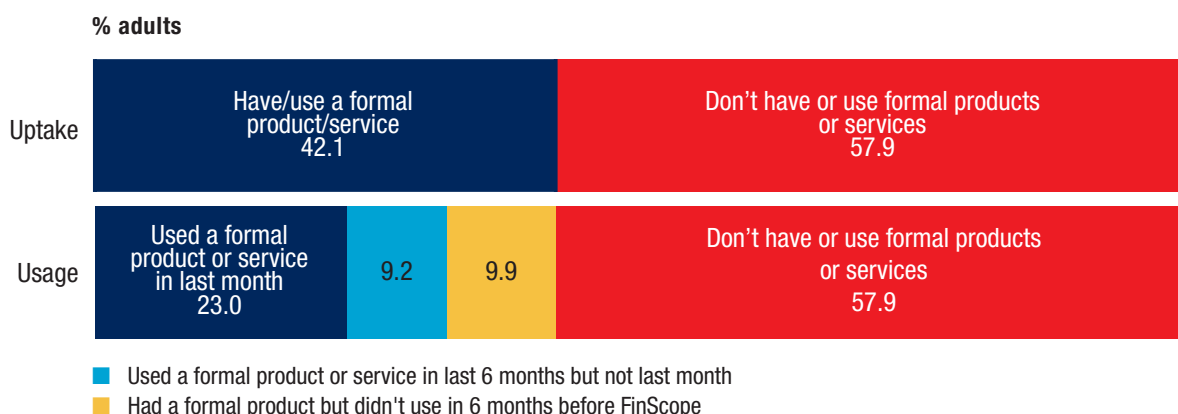
FinScope Rwanda 2012 illustrated that 42% of Rwandan adults are formally included. The resultant question however became whether this was **effective** inclusion i.e. whether these products and services were actually used. Figures 28 and 29 summarise the FinScope findings in this regard:

- 32% of Rwandan adults were using formal financial products in the six months prior to the FinScope survey whilst 10% had a formal financial product they hadn't used for six months.
  - 77% of those who had a formal financial product/service had used it in the six months before the FinScope 2012 survey
  - More than half (55%) of those who had a formal financial product used it in the month prior to the FinScope 2012 survey
- 36% of adults had formal savings products; 29% used a formal savings product in the six months prior to the FinScope survey; 20% in the month before the survey; and 7% had formal savings products but had not used them in six months.
  - 22% of adults had savings products with Umurenge SACCOs; 17% used an Umurenge SACCO savings product in the six months prior to the FinScope survey; 11% in the month before the survey; and 5% had an Umurenge SACCO savings product but had not used it in six months
- 40.2% of adults used informal savings mechanisms; 34% used an informal savings mechanism in the six months prior to the FinScope survey; 31% in the month before the survey.

**FIGURE 28: USAGE OF FORMAL FINANCIAL PRODUCTS: FORMALLY SERVED**



**FIGURE 29: USAGE OF FORMAL FINANCIAL PRODUCTS: RWANDAN ADULTS**



# 7. Landscape of Access

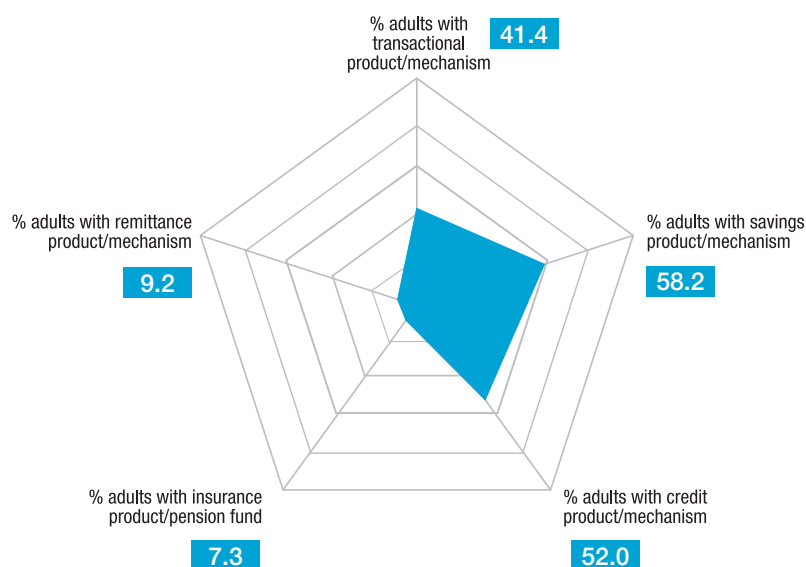
The FinScope Landscape of Access is used to gain more insight into the **types of financial products** used by different market segments. The Landscape of Access provides insight into the percentages of adults in a specific market segment that have or use:

- **Transactional products/services** – current accounts, debit cards, credit cards or basic savings accounts which could be used for transactional purposes, etc.
- **Savings products/services.** Long- and short-term products are included – i.e. basic savings accounts, fixed deposit accounts, shares, government and/or utility bonds, savings with savings groups, etc.
- **Credit products/services.** Loans from formal financial institutions and informal credit such as shop credit and credit from money lenders, shops or savings groups, etc. are included.
- **Insurance products/services.**
- **Remittance services/mechanisms** – remittance services provided by formal institutions such as Western Union or informal mechanisms such as paying taxi or bus drivers a fee to transport remittances, etc. are included.

FinScope 2012 findings summarised by Figures 30 to 32 revealed that:

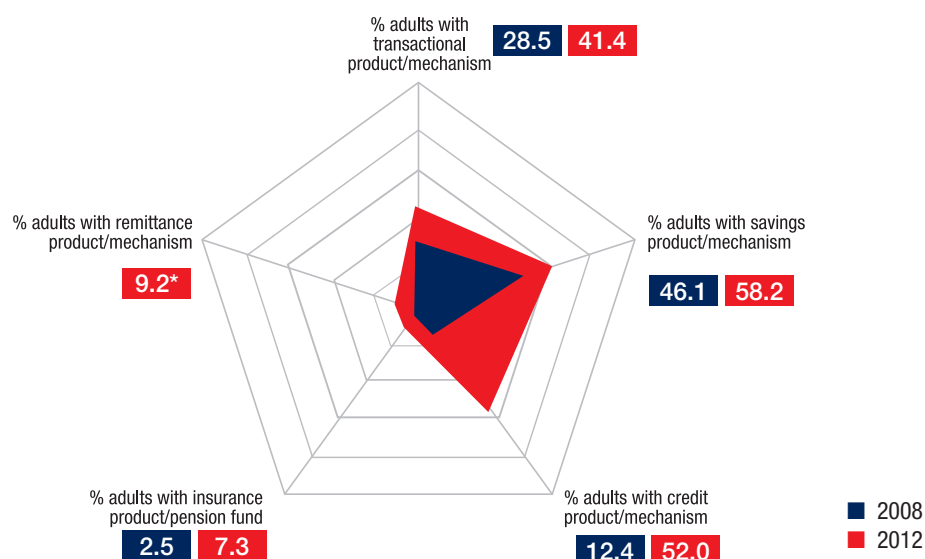
- Rwandan adults were most likely to have savings (58% of adults, Figure 30) and credit products (52% of adults) and least likely to have insurance products (7.3% of adults).
- Comparing the landscapes of access for 2012 with that of 2008 indicated that the proportion of Rwandan adults who had/used financial products increased for all product types (Figure 31). The most significant increase however was in terms of the proportion of adults claiming to have/use credit products which increased from 12% in 2008 to 52% in 2012.
- Findings summarised in Figure 32 indicated that the informal sector played a significant role in terms of increasing access to savings and credit products, the most significant impact being in terms of providing access to credit.

**FIGURE 30: FINSCOPE LANDSCAPE OF ACCESS: RWANDAN ADULTS**



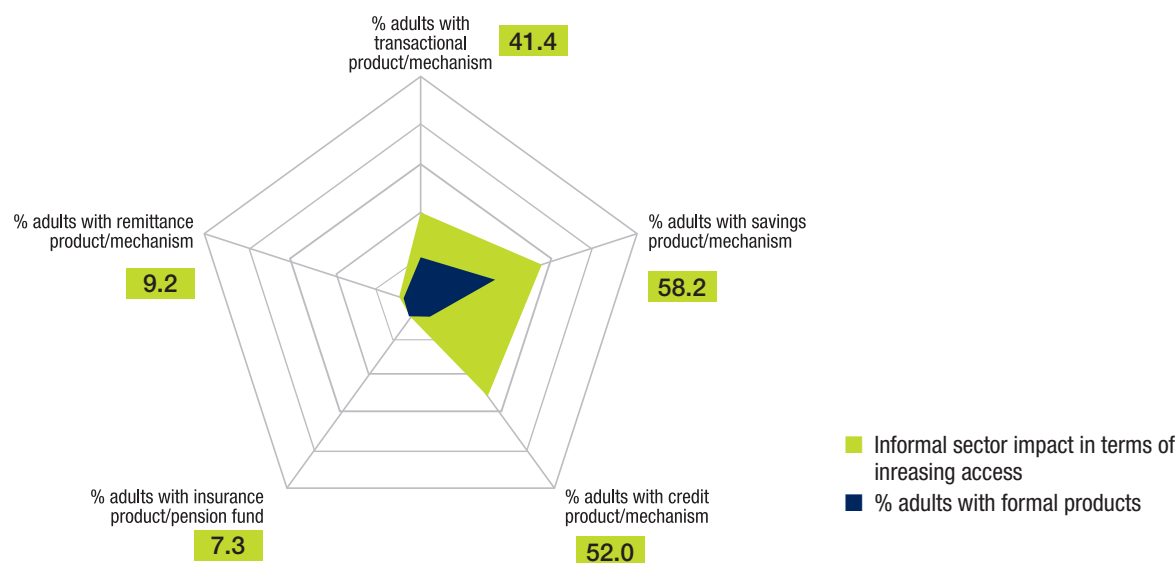


**FIGURE 31: FINSCOPE LANDSCAPE OF ACCESS: 2008 – 2012**



\*Not measured in 2008

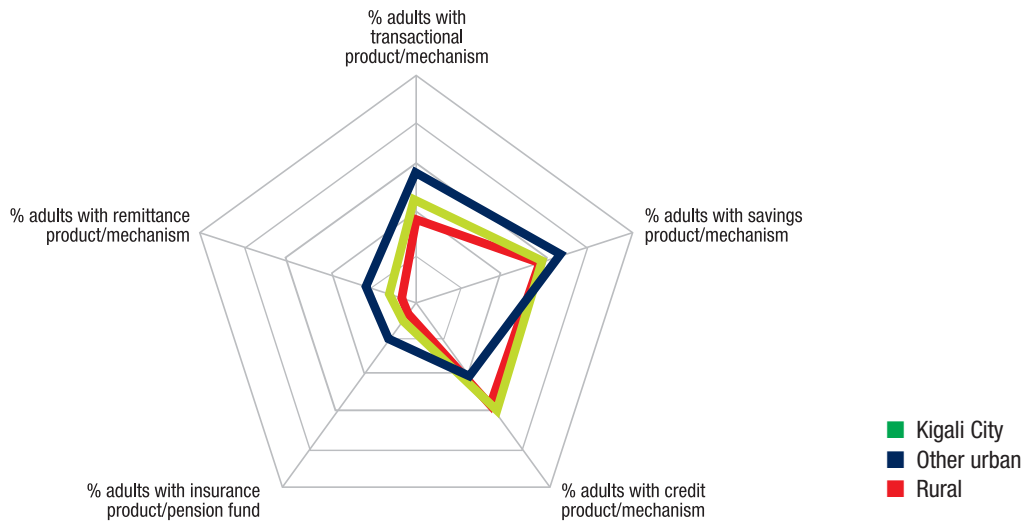
**FIGURE 32: FINSCOPE LANDSCAPE OF ACCESS: THE ROLE OF THE INFORMAL FINANCIAL SECTOR**



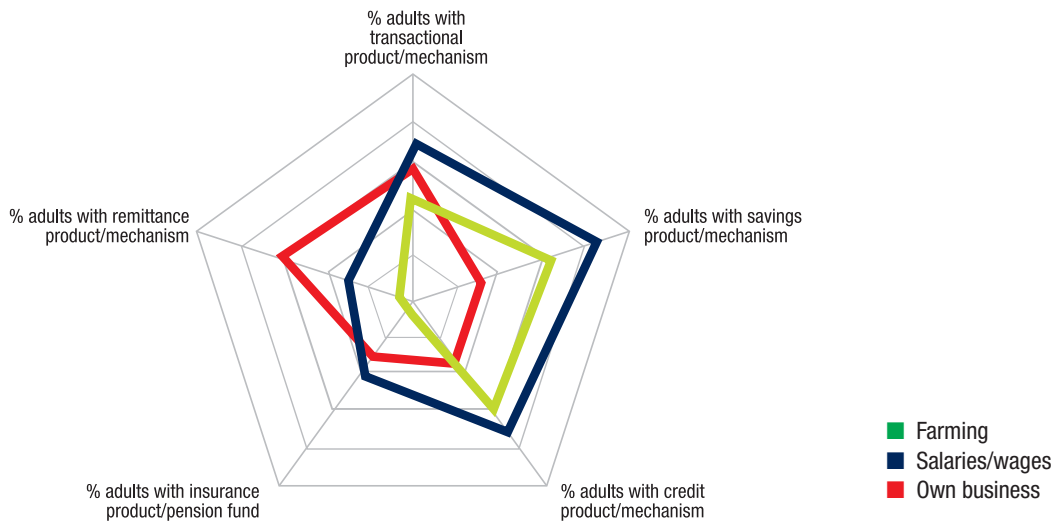
FinScope 2012 findings summarised in Figures 33 and 34 revealed that there were significant differences in terms of the type of products used by rural and urban-based individuals, as well as among individuals with different income generating activities:

- Adults from Kigali City were more likely than those from outside Kigali City to have or use transactional, savings, insurance and remittance products (Figure 33). Adults from other urban and rural areas were more likely than those from Kigali City to have or use credit products. In terms of the source of credit however those from other urban and rural areas were more likely to use **informal sources** whilst individuals from Kigali City, although less likely to use credit products, were more likely to use credit from **formal lenders**.
- Adults with a steady, regular income from salaries or wages (Figure 34) were more likely to have/use transactional, savings, credit and insurance products than farmers and business owners. Business owners were however most likely to use remittance services.
- Farmers were more likely to have/use savings and credit products than other types of products

**FIGURE 33: FINSCOPE LANDSCAPE OF ACCESS: URBAN-RURAL COMPARISON**



**FIGURE 34: FINSCOPE LANDSCAPE OF ACCESS: COMPARING MAIN INCOME GENERATING ACTIVITIES**



# 8. Commercial Bank Product Uptake and Usage

FinScope 2012 findings indicated that 23% (1 million) of the adult population was banked (i.e. had/used commercial bank products/services). Table 6 gives an overview of the characteristics of the banked population illustrating that the banked population was significantly skewed towards:

- Adults from Kigali City.
- Males.
- Adults aged 31 to 45 years.
- Adults who have achieved at least secondary levels of education.
- Adults who earned salaries or wages from Government or a business or company and business owners (of more financially successful businesses).
- Adults from households with higher socio-economic status.

Adults from rural areas, adults from households with lower socio-economic status, and those who earn an income from farming or farm work were least likely to be banked.

**TABLE 6: CHARACTERISTICS OF THE BANKED POPULATION**

Urban-rural distribution	% adults	
	Total adult population	Banked population
Kigali City	15	34
Other urban	11	10
Rural	74	55
<b>Gender distribution</b>		
Males	42	49
Females	58	51
<b>Age distribution</b>		
18 to 30 years	31	29
31 to 45 years	34	45
46 to 55 years	14	14
Older than 55 years	20	13
<b>Highest level of education achieved</b>		
No formal education	27	12
Primary school levels	56	49
Secondary school levels	14	31
Post secondary school	3	8
<b>Main income generating activities</b>		
Money from farming	38	28
Farm work	14	9
Salary/wages from Government or a business/company	8	25
Piece work	16	9
Own business	3	6
<b>Socio-economic status</b>		
Adults from households in Ubudehe categories 1 & 2	30	12
Adults from households in Ubudehe categories 3 & 4	59	75

Significantly under-represented in banked population



Significantly over-represented in banked population



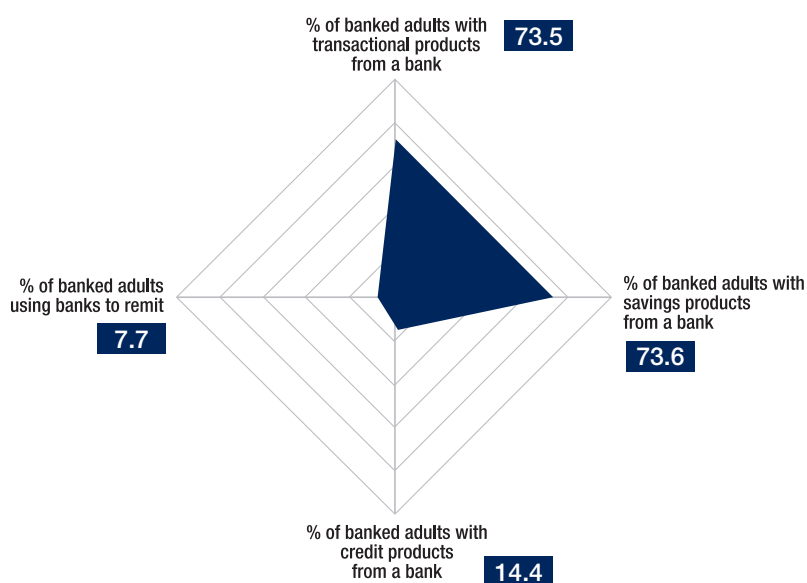
The landscape of access for the banked population (Figure 35) and the results summarised by Table 7 give an overview of the types of bank products held/used by the banked population indicating that:

- Bank clients were most likely to have savings and transactional facilities with their banks.
- Only 14% of bank clients have credit products from their bank.
- If it is taken into account that payments in Rwanda are mostly cash-based (food, clothes and even larger household appliances are paid for in cash by more than 95% of adults), these findings indicated that bank clients were mainly served in terms of their savings needs. This may explain why, as was reported in Section 6.5, more than 80% of bank clients make use of non-bank formal products and/or informal mechanisms to meet their financial needs. Further analysis indicated that most bank clients who use other financial services/mechanisms to complement the services they get from commercial banks do so to obtain credit:
  - 51% of banked adults used informal lenders or credit sources in the 12 month period prior to the FinScope survey; 7% borrowed from Umurenge SACCOs; 6% borrowed from MFIs
  - 32% of banked adults saved with Umurenge SACCOs; 44% saved with savings groups

**TABLE 7: BANK PRODUCTS HELD BY THE BANKED POPULATION**

Bank products	
Bank product	% of population who have bank products
Savings account	68
Loan account	10
Debit card	9
Current or cheque account	56
Overdraft facilities	2
Credit card	0
Foreign bank account	0

**FIGURE 35: LANDSCAPE OF BANK PRODUCT ACCESS**

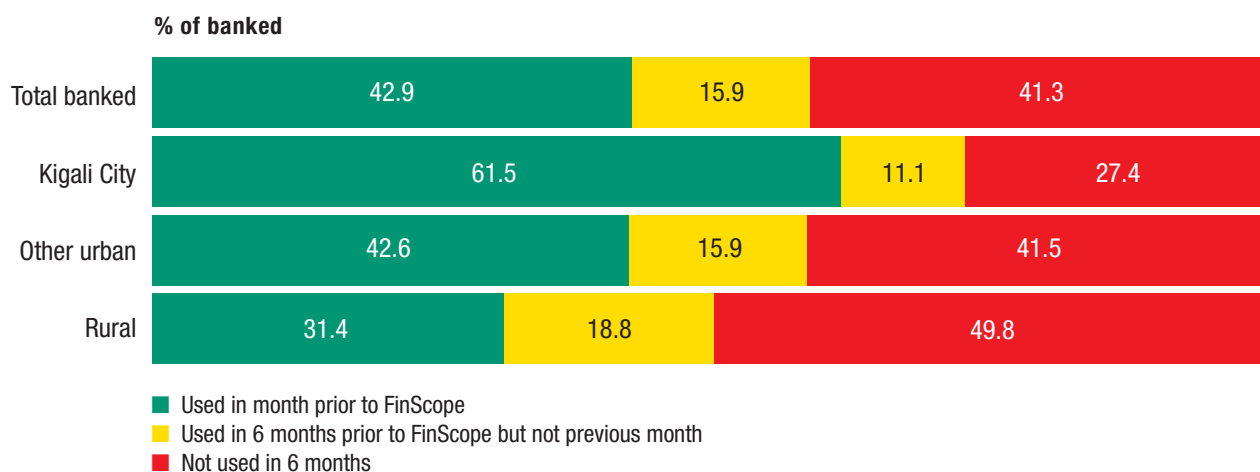


From examining **actual usage** of commercial bank products held by the banked population, findings summarised in Figure 36 revealed that 42% of banked adults did not use any of the products they had with commercial banks in the six months prior to the FinScope 2012 survey. Banked adults from Kigali City were significantly more likely to use their commercial bank products than banked adults from urban areas outside of Kigali City and those from rural areas. Half (49.8%) of banked individuals from rural areas did not use their bank products in the six months prior to the FinScope 2012 survey.

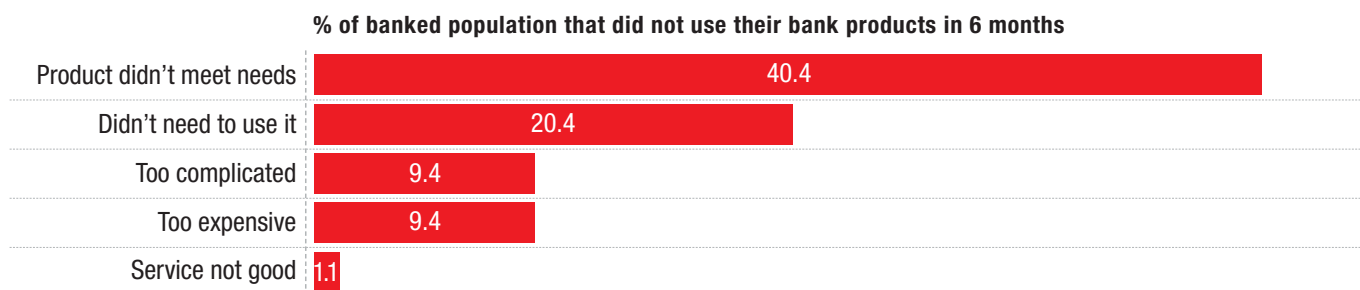
Most banked adults who did not use their bank products claimed that the products they held either did not meet their needs or that they did not have the need to use the product (Figure 37). That these individuals **had financial services needs which were not met by the commercial bank products they held** was clear from the findings that:

- 46% of banked adults who did not use their bank products saved using informal mechanisms; 35% saved with Umurenge SACCOs.
- 54% of banked adults who did not use their bank products borrowed informally.

**FIGURE 36: BANK PRODUCT USAGE**



**FIGURE 37: MAIN REASONS FOR NON-USAGE CITED BY BANKED ADULTS WHO WERE NOT USING THEIR BANK PRODUCTS**



# 9. Non-bank Formal Product Uptake and Usage

As was indicated earlier, 33% of adults (1.5 million) had or used products provided by non-bank formal institutions. Findings summarised in Figure 38 indicated that most (68%) adults using non-bank formal financial products or services, had or used products/services from Umurenge SACCOs.

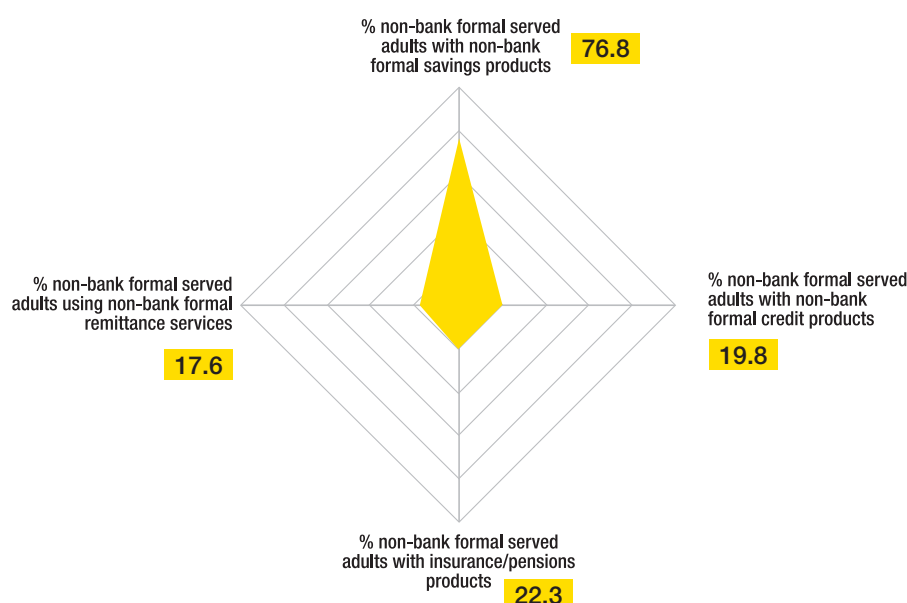
**FIGURE 38: PRODUCTS/SERVICES USED BY ADULTS SERVED BY NON-BANK FORMAL FINANCIAL INSTITUTIONS**

% adults who have/use non-bank formal products/services		
Have/use MFI products/services	12.5	183 000 adults
Have/use Umurenge SACCO products/services	68.0	1 million adults
Have insurance and/or pension products	22.3	330 000 adults
Use formal remittance services	21.6	320 000 adults

The results summarised in the landscape of access for adults served by non-bank formal institutions (Figure 39) give an overview of the types of products held/used by these adults:

- 77% of adults that had/used non-bank formal products had/used savings products.
- Less than 20% of non-bank formal institution clients had/used credit products from these institutions; 22% had insurance and/or pension products; 22% used non-bank services such as Western Union or mobile money for remittance purposes.
- Similar to commercial bank clients, clients of non-bank formal institutions were mainly served in terms of their savings needs. These findings seemed to explain why 66% of formally served individuals used informal mechanisms to complement the services provided to them by the formal sector.
  - 50% of adults served by the non-bank formal institutions also saved informally, whilst 56% borrowed informally

**FIGURE 39: LANDSCAPE OF NON-BANK FORMAL PRODUCT ACCESS**



## 9.1. Microfinance institution product uptake and usage

FinScope 2012 findings indicated that 4.1% of the adult population (183 000 adults) had or used the services of MFIs and that this sector has not shown significant growth since 2008. It should however be noted that a number of the more established microfinance institutions such as Urwego Opportunity Bank, Agaseke Bank and Unguka Bank became registered commercial banks since 2008. This could partially explain some of the growth in the banking sector and the fact that the MFI sector showed no significant growth since 2008. Table 8 gives an overview of the characteristics of MFI clients indicating that, similar to commercial bank clients, the MFI client base was significantly skewed towards:

- Adults from urban areas rather than rural clients.
- Males.
- Adults aged 31 to 45 years.
- Adults who have achieved at least secondary levels of education.
- Adults who earn salaries or wages from Government or a business or company and business owners (of more financially successful businesses).
- Adults from households with higher socio-economic status.

**TABLE 8: CHARACTERISTICS OF MFI CLIENTS**

Urban-rural distribution	% adults	
	Total adult population	MFI population
Kigali City	15	28
Other urban	11	17
Rural	74	55
<b>Gender distribution</b>		
Males	42	56
Females	58	44
<b>Age distribution</b>		
18 to 30 years	31	27
31 to 45 years	34	44
46 to 55 years	14	16
Older than 55 years	20	13
<b>Highest level of education achieved</b>		
No formal education	27	9
Primary school levels	56	49
Secondary school levels	14	36
Post secondary school	3	6
<b>Main income generating activities</b>		
Money from farming	38	29
Farm work	14	10
Salary/wages from Government or a business/company	8	26
Piece work	16	7
Own business	3	7
<b>Socio-economic status</b>		
Adults from households in Ubudehe categories 1 & 2	30	10
Adults from households in Ubudehe categories 3 & 4	59	75

Significantly under-represented in MFI population  
 Significantly over-represented in MFI population



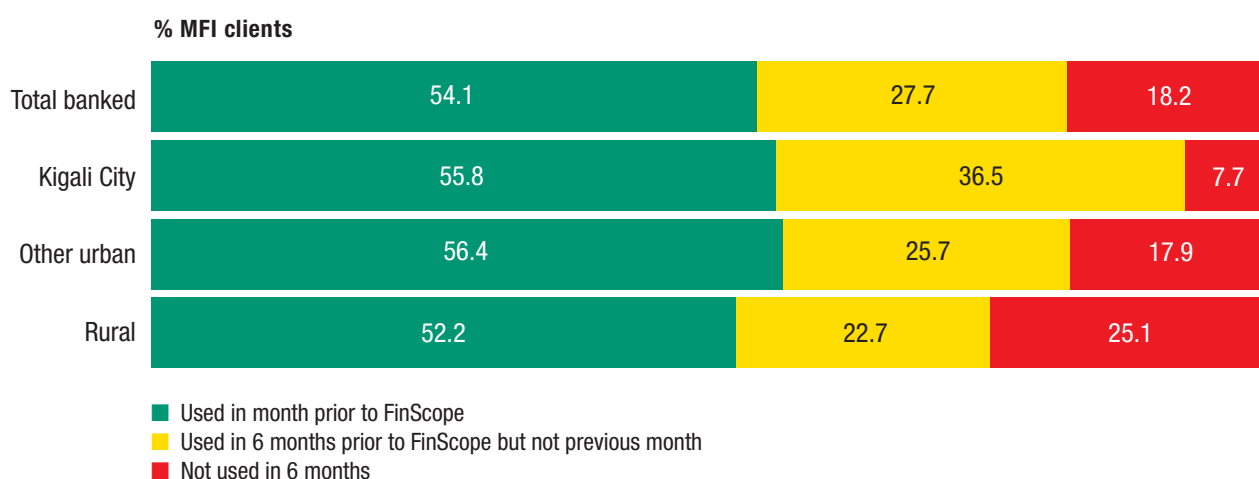
Table 9 gives an overview of the types of products held/used by MFI clients:

**TABLE 9: PRODUCTS HELD/USED BY MFI CLIENTS**

MFI products	
MFI product	% of MFI clients
Savings facility	83
Credit facility	46

Although MFI clients were more likely to have access to credit facilities than bank clients, MFI product uptake was still skewed towards savings. Figure 40 provides insight into the extent to which MFI products were actually used, indicating significantly higher levels of usage than bank clients even in rural areas.

**FIGURE 40: MFI PRODUCT USAGE**



Only 18% of MFI clients did not use their MFI products. Findings summarised in Figure 41 once again indicated that the reason for non-usage was related to products not meeting the needs of clients – 56% of MFI clients saved informally whilst 57% borrowed informally.

**FIGURE 41: MAIN REASONS FOR NON-USAGE CITED BY MFI CLIENTS WHO WERE NOT USING THEIR MFI PRODUCTS**





## 9.2. Umurenge SACCOs uptake and usage

Umurenge SACCOs is a Government initiative specifically aimed at increasing the accessibility of financial services to Rwandan citizens. The concept of Umurenge SACCOs was based on an understanding that banks and other financial institutions were more concentrated in urban areas whilst the majority of the Rwandan population lived in rural areas. Banks and other financial institutions were also not able to provide financial services that were ideal to serve the poor. Establishing a SACCO in every Umurenge was aimed at bridging this gap. The objective was to encourage local citizens to use financial institutions to enable them to save and access loans, all in an effort to ultimately provide opportunities to build financial security that would enable better management of financial shocks and investment in income generating opportunities. This would, in turn, facilitate the movement out of chronic poverty and improvement of livelihoods.

Different government departments and non-government organisations, especially those working in the areas of decentralisation and local governance, have made efforts to mobilise Rwandans towards this programme. BNR is responsible for the regulatory framework within which Umurenge SACCOs operate – setting operating standards, providing trading licences and ensuring that the Umurenge SACCOs conform to expected standards.

Umurenge SACCOs have been successful in terms of increasing formal financial inclusion since 2008. FinScope 2012 findings indicated that 22% (just under 1 million) of Rwandan adults were Umurenge SACCO members.

In 2008, 14% of Rwandan adults were banked. This proportion has shown a significant increase to 23% (approximately 1 million individuals) in 2012. The Umurenge SACCO programme has, in the three years since its establishment, managed to acquire the same number of members as the number of clients served by the more established banking sector.

FinScope 2012 findings further indicated that the Umurenge SACCO programme had the potential to achieve the FSDP objectives of providing Rwandans with better access to financial services and helping to establish a savings culture amongst Rwandans:

- 91% of adults live within a 5km radius of an Umurenge SACCO.
- 'A need to save' was the most significant driver of Umurenge SACCO membership; 42% of members joined to save, whilst an additional 9% of members joined to keep their money safe.
- As discussed in section 11.4.2 of this report, FinScope 2012 findings also illustrated that with the increased proportion of individuals saving in formal institutions (and specifically with Umurenge SACCOs), there has been a significant decrease in the proportion who keep their savings at home since 2008. The Umurenge SACCO programme therefore seems to have been a successful instrument through which the Government's objective of channelling more money into the formal system is being realised.

Unlike commercial banks and microfinance institutions that tend to be more likely to serve the employed or those with regular and steady sources of income, the client base of Umurenge SACCOs was not skewed towards a specific segment of the population in terms of income generating activities as can be seen in Table 10.

- Most Umurenge SACCO members were from rural areas.
- Like the client bases of commercial banks and MFIs, the client base of Umurenge SACCOs was skewed towards males and adults in the 31 to 45 year age group although significantly less skewed towards adults with higher levels of education and adults from households with higher socio-economic status.
- With 40% of its members being farmers, the Umurenge SACCO initiative has been successful in providing formal financial services to Rwandans who most likely would otherwise not use formal financial services.

**TABLE 10: CHARACTERISTICS OF UMURENGE SACCO CLIENTS**

% adults		
Urban-rural distribution	Total adult population	SACCO population
Kigali City	15	10
Other urban	11	10
Rural	74	80
<b>Gender distribution</b>		
Males	42	55
Females	58	45
<b>Age distribution</b>		
18 to 30 years	31	26
31 to 45 years	34	45
46 to 55 years	14	14
Older than 55 years	20	13
<b>Highest level of education achieved</b>		
No formal education	27	19
Primary school levels	56	61
Secondary school levels	14	18
Post secondary school	3	3
<b>Main income generating activities</b>		
Money from farming	38	40
Farm work	14	17
Salary/wages from Government or a business/company	8	10
Piece work	16	13
Own business	3	2
<b>Socio-economic status</b>		
Adults from households in Ubudehe categories 1 & 2	30	24
Adults from households in Ubudehe categories 3 & 4	59	70

Significantly under-represented in SACCO population

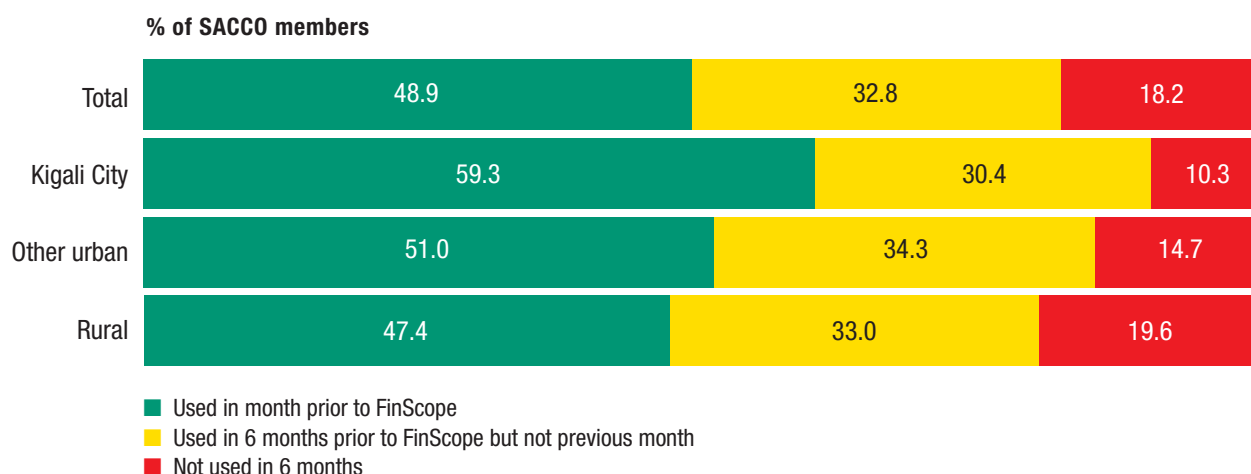


Significantly over-represented in SACCO population

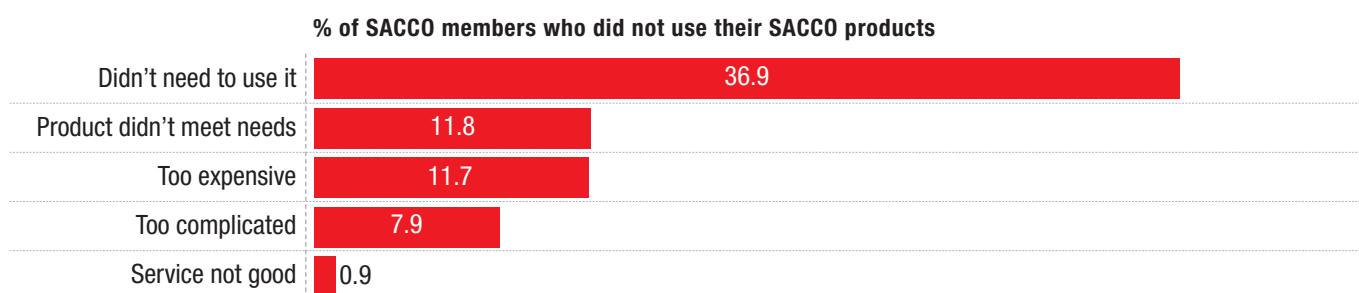


All Umurenge SACCO members had savings accounts and 11% had credit products. FinScope findings summarised in Figure 42 illustrated that active use of Umurenge SACCO accounts was high – especially in rural areas.

**FIGURE 42: UMURENGE SACCO PRODUCT USAGE**



**FIGURE 43: MAIN REASONS FOR NON-USAGE CITED BY UMURENGE SACCO MEMBERS WHO WERE NOT USING THEIR SACCO PRODUCTS**



The FinScope 2012 findings revealed that non-usage of bank products as well as non-usage of MFI products was more likely to be due to products not meeting consumers' needs than non-usage of SACCO products. Irrespective therefore of whether the higher likelihood of usage of SACCO products was due to better accessibility or better functionality (i.e. being more appropriate in terms of meeting the needs of SACCO clients) than commercial bank and MFI products or both, these findings seemed to indicate that SACCOs were proving to be more successful in terms of providing formal financial services to Rwandans in a manner that meets their needs.

## KEY FACTS: UMURENGE SACCOs

- One million adults (22%) are members of an Umurenge SACCO.
- 10% of adults were **financially excluded** and became **financially included** by taking up an Umurenge SACCO product.
- 16% of adults who were **not formally served** became **formally served** by taking up an Umurenge SACCO product.
- 7% of **informally served** adults became **formally served** by taking up an Umurenge SACCO product.
- 9% of SACCO members (i.e. 2% of adults) stopped using another financial product or mechanism (either formal or informal) when they joined a SACCO.
- 4% of SACCO members (i.e. less than 1% of adults) stopped using another formal financial product when they joined a SACCO.
- 49% of SACCO customers are also members of an informal savings and loan group; only 6% of SACCO members gave up their informal mechanisms when they joined an Umurenge SACCO.
- 22% of adults save with an Umurenge SACCO, but only 5% save exclusively with an Umurenge SACCO.
- 18% of SACCO members borrow from the SACCO.
- 92% of SACCO customers who are also members of an informal group borrow from the group.

### 9.3. Insurance and pension product uptake

FinScope 2012 findings revealed that the proportion of adults with insurance and/or pension products increased significantly from 2.5% in 2008 to 7.3% (330 000 adults). Figure 44 gives an overview of the types of products held by these adults.

**FIGURE 44: INSURANCE AND PENSION PRODUCT UPTAKE\***

	% adults
Medical insurance (excluding MdS)	5.6
Caisse Sociale du Rwanda/Rwanda Social Security Board (RSSB)	1.1
Credit life	0.9
Life insurance	0.9
Third party insurance	0.5
Household insurance	0.2

**\*Note:**

Medical insurance does not include Mutuelle de Sante (MdS) membership.

The Rwandan Social Security Board (RSSB) provides social security benefits to those who are employed. These benefits include health insurance, occupational risk insurance and pension.

#### Mutuelle de Sante:

Mutuelle de Sante is part of the Government of Rwanda's social protection system introduced in 1999. The aim with Mutuelle de Sante was to enable members to access health care through all public and private non-profit health centres in Rwanda and to reduce the financial burden of health care particularly for the poorer groups of society. Membership is voluntary and open to all Rwandan residents for a modest annual payment. Households in the bottom two Ubudehe categories (i.e. the most vulnerable) are entitled to have the membership fee waived. The Mutuelle de Sante system is primarily coordinated at district and sector level.

FinScope 2012 findings indicated that, if Mutuelle de Sante was included, 74% of the adult population had health insurance:

- 71% of adults were covered by Mutuelle de Sante.
- 5.6% of adults had medical insurance other than Mutuelle de Sante.

When the first FinScope survey was conducted in Rwanda during 2008, Mutuelle de Sante was not regarded as providing the same kind of benefits as traditional medical insurance and membership therefore did not qualify an individual as being *financially served*. For purposes of comparison this decision was maintained for the 2012 analysis.

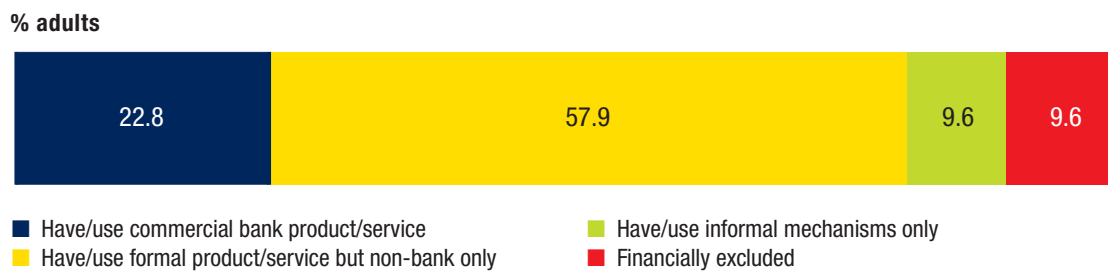
Micro-insurance is the protection of low-income people against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of the risks involved. The target population typically consists of persons ignored by mainstream commercial insurance schemes, as well as persons who have not previously had access to appropriate insurance products. If, in terms of this definition, Mutuelle de Sante was regarded as micro-insurance and as such a non-bank formal product, 74% of Rwandan adults would have been regarded as having insurance. Findings summarised in Figure 45 illustrate that this would have had a significant impact on the FinScope 2012 inclusion estimates:

- 90% of adults would have been regarded as *financially included* in 2012, leaving only 10% of adults regarded as *financially excluded*.
- 81% of adults would have been regarded as formally served

The implementation of Mutuelle de Sante has had an impact. Various surveys over recent years have shown that it has resulted in an increase in the proportion of the population accessing health care, which in turn, has resulted in a decrease in mortality and certain disease prevalence rates.

This raised a question that would have to be addressed regarding future FinScope surveys: *Should social insurance schemes be regarded as financial inclusion?*

**FIGURE 45: RWANDAN FINANCIAL ACCESS STRAND IF MUTUELLE DE SANTE MEMBERSHIP WAS REGARDED AS FORMAL FINANCIAL INCLUSION**



# 10. Informal Mechanisms Used

FinScope 2012 findings illustrated that 58% (2.6 million) of Rwandan adults used informal mechanisms to manage their financial lives.

Table 11 gives an overview of the characteristics of adults using informal mechanisms indicating that informal financial activity was most significantly skewed towards:

- Adults from households with a higher socio-economic status.
- Adults using **ONLY informal mechanisms and NO formal financial products/services** were most likely to:
  - Reside in rural areas
  - Be female
  - Have had no formal education or had achieved only primary school levels of education
  - Be from households with lower socio-economic status

**TABLE 11: CHARACTERISTICS OF INFORMALLY SERVED ADULTS**

Urban-rural distribution	% adults		
	Total adult population	Total informally served population	Population relying on informal mechanisms ONLY
Kigali City	15	12	6
Other urban	11	12	12
Rural	74	76	81
<b>Gender distribution</b>			
Males	42	45	39
Females	58	55	61
<b>Age distribution</b>			
18 to 30 years	31	31	34
31 to 45 years	34	39	34
46 to 55 years	14	15	16
Older than 55 years	20	15	17
<b>Highest level of education achieved</b>			
No formal education	27	24	32
Primary school levels	56	60	60
Secondary school levels	14	14	7
Post secondary school	3	3	1
<b>Main income generating activities</b>			
Money from farming	45	43	47
Farm work	20	21	24
Salary/wages from Government or a business/company	12	13	6
Piece work	10	11	14
<b>Socio-economic status</b>			
Adults from households in Ubudehe categories 1 & 2	30	27	35
Adults from households in Ubudehe categories 3 & 4	59	64	56

Significantly under-represented in informally served population



Significantly over-represented in informally served population

Table 12 summarises the FinScope 2012 findings regarding the **types of informal mechanisms** used by the informally served population revealing that the informal financial sector was more likely to be used for credit than for savings purposes.

**TABLE 12: INFORMAL MECHANISMS USED BY INFORMALLY SERVED ADULTS\***

Informal mechanisms		
	% of all adults who used informal mechanisms	% adults who relied on informal mechanisms ONLY and used NO formal products/services
Informal savings mechanisms	70	68
Informal credit mechanisms	84	86
Informal remittance mechanisms	4	2

\*Note: Informal remittance mechanisms refer to paying taxi/bus drivers (runners) to transport remittances to recipients



# 11. Drivers of Financial Inclusion

Ultimately, the uptake and usage of a financial service or product depend on a decision made by an individual. Such a decision could be influenced by a range of factors, but it would be safe to assume that individuals would use financial products and services to help them improve their lives and manage their finances better. The levels of usage of financial services at any given time would therefore be the result of the demand for financial services as well as the extent to which financial services available in the market meet the needs of the population.

Having insight into the characteristics and lives of the adult Rwandan population would assist financial service providers to understand how they could better serve the population. Such insight would reveal the factors that could potentially influence adults' decisions on whether or not to use specific products or services. This section of the report is aimed at deepening this understanding.

## 11.1. Geographical distribution of the adult population

The adult population of Rwanda refers to 4.5 million individuals aged 18 years or older. Table 13 gives an overview of the geographic distribution of this population indicating that 74% of adults reside in rural areas.

**TABLE 13: GEOGRAPHICAL DISTRIBUTION OF THE ADULT POPULATION**

% of adult population			
Urban-rural distribution	%	District distribution continued	%
Kigali City	15	Kamonyi	3
Other urban areas	11	Karongi	3
Rural areas	74	Rutsiro	3
Urban-rural distribution	%	Rubavu	4
Kigali City	15	Nyabihu	3
Southern Province	25	Ngororero	3
Western Province	23	Rusizi	4
Northern Province	17	Nyamasheke	4
Eastern Province	21	Rulindo	3
District distribution	%	Gakenke	3
Nyarugenge	4	Musanze	4
Gasabo	8	Burera	3
Kicukiro	4	Gicumbi	4
Nyanza	3	Rwamagana	3
Gisagara	3	Nyagatare	4
Nyaruguru	3	Gatsibo	4
Huye	3	Kayonza	3
Nyamagabe	3	Kirehe	3
Ruhango	3	Ngoma	3
Muhanga	3	Bugesera	3



## 11.2. Demographic characteristics of the adult population

FinScope surveys implemented across Africa have repeatedly illustrated the link between people's livelihoods and the extent to which they engage with a financial system. It follows, therefore, that any intervention intended to increase financial inclusion could only be effective if it is based on a clear understanding of these dynamics.

Findings from numerous FinScope surveys suggest that individuals with small, inconsistent, irregular incomes are more likely to be financially excluded or they rely on informal financial mechanisms rather than to engage with the formal financial sector. This is a result of their financial behaviour being driven by their daily struggle to make ends meet. In order to mitigate the risk of running out of money to meet their daily needs, these individuals survive by putting aside small amounts of money when they can. In a cash-based society however this needs to be done in a manner that would enable them to have quick access to cash. Because of the nature of their income and the small amounts of money that they are able to put aside, they are often still faced with the reality of running out of cash to meet their daily needs or to deal with unexpected events or emergencies. They are therefore often forced to borrow (usually small amounts), but their situation, more often than not, demands quick access to cash. The demand for quick access to small amounts of cash by consumers who are likely to have little to offer in terms of collateral, cannot be met by formal financial institutions. It is against this background that an informal system often develops – especially in communities with a strong sense of community involvement and support. The reason why this informal system is sustained is two-fold:

- Once the informal system is established, it evolves and starts to offer additional non-financial benefits to its users.
- A lack of interventions which are successful in terms of providing those who are informally served with formal alternatives that meet their needs in an affordable manner.

Table 14 gives an overview of the demographic profile of the Rwandan adult population at the time of the 2012 FinScope survey, which was:

- Slightly skewed towards females.
- Fairly young – 32% of adults were younger than 30 years of age. Based on the findings of FinScope surveys conducted in various African countries this age group is typically just entering the economic market and usually not financially very active.
- Not well educated – 83% had at most achieved some level of primary school education; 27% has had no formal education.

**TABLE 14: DEMOGRAPHIC CHARACTERISTICS OF THE ADULT POPULATION**

	<b>% adults</b>
<b>Gender distribution</b>	
Males	42
Females	58
<b>Age distribution</b>	
18 to 20 years	6
21 to 25 years	11
26 to 30 years	15
31 to 35 years	13
36 to 40 years	12
41 to 45 years	9
46 to 50 years	8
51 to 55 years	7
56 to 60 years	6
Older than 60 years	14
<b>Highest level of education achieved</b>	
No formal education	27
Primary school levels	56
Secondary school levels	14
Post secondary school	3
<b>Main income generating activities</b>	
Money from farming	47
Farm work	15
Salary/wages from Government or a business/company	8
Piece work	33
Own business	9
<b>Socio-economic status</b>	
Adults from households in Ubudehe categories 1	5
Adults from households in Ubudehe categories 2	26
Adults from households in Ubudehe categories 3	50
Adults from households in Ubudehe categories 4	8

- Skewed towards dependency upon income generating activities that provided them with inconsistent, irregular income – 47% generated an income through farming activities; 15% through doing farm work for other farmers; 33% did piece work to earn an income.
  - 44% of adults had more than one source of income
  - Only 3% of adults did not generate an income but depended on income sources such as a Government pension or grant, maintenance money, remittances, or money they got from other household members to pay their expenses
- Skewed towards adults from households in Ubudehe categories 2 and 3 – 76% of adults were from households in these categories.

Using the FinScope 2012 data, IPAR constructed the Lived Poverty Index as an alternative measure of poverty. The Lived Poverty Scale was constructed from the responses to the four questions that make up the Afro Barometer Lived Poverty Index (i.e. questions regarding the frequency of households having to go without food, medical treatment, and/or other necessities as a result of not having cash).

Applying this index to the FinScope Rwanda 2012 survey results revealed:

- 38% of adults were from households in the bottom two categories of the poverty index indicating that two in five adults were living in poverty.
- Adults in rural areas were more likely to be in the lower poverty categories than those living in urban areas and especially than those living in the City of Kigali.
- There was a clear relationship between poverty and dependency on farming as a source of income. Individuals from households that were dependent on farming were significantly less likely to be in the higher categories of the poverty index (i.e. more affluent categories) than those from other households and more likely to be in the bottom categories. Individuals from households that had only non-farming sources of income were significantly more likely to be in the higher categories of the index than those from other households.

Exploring the geographic and demographic profile of the Rwandan adult population has illustrated that this population was predominantly rural-based and dependent on inconsistent sources of income such as farming, farm work and piece work. This profile of the Rwandan adult population was similar to those illustrated by FinScope surveys to facilitate the establishment of a strong informal system. In order to get a better understanding of whether this was the main driver behind the establishment of the strong informal sector in Rwanda, and whether recent interventions have been successful in terms of providing those who were not formally served with alternatives that meet their needs in an affordable manner, the attitudes and perceptions of Rwandan adults with regard to finances and financial institutions, their money management practices, the financial risks they face, their risk mitigation strategies as well as the attributes of their household and community environments were analysed in more depth.

## 11.3. Attitudes and perceptions of the adult population

### 11.3.1. Attitudes and perceptions about money management

Table 15 gives an overview of Rwandan adults' attitudes and perceptions about general money management, saving, and borrowing revealing that:

- In general:
  - Most (59%) Rwandan adults felt that they often had to spend more money than they had available; this was more pronounced for adults from Kigali City
  - Most (93%) of adults felt concerned about their financial situation
  - Most adults claimed to keep track of their money and that, at any given time, they knew how much money they had available; they also claimed to adjust their expenditure according to their income and planned ahead for financial needs
- In terms of savings:
  - Most (40%) adults regarded saving as keeping money **safe**; only 12% of adults regarded saving as a means of accumulating wealth

- That **'keeping money safe'** was an important aspect of saving was further substantiated by 98% of adults giving higher priority to **safety of money** than to **taking risks to grow savings**
- Rwandan adults seemed to have a savings culture – most claimed that they would go without certain things to be able to save and that it was important to save even at times when income was low
- In terms of borrowing:
  - Most Rwandan adults seemed to be risk averse in terms of money management – not only were they not likely to take risks in terms of savings but 68% avoided borrowing when they could

**TABLE 15: ATTITUDES AND PERCEPTIONS OF RWANDAN ADULTS ABOUT MONEY MANAGEMENT**

	% adults			
	Kigali City	Other urban areas	Rural areas	Total
<b>General money management</b>				
Often had to spend more money than they had available	63	57	59	59
Current financial situation made them worry	88	94	94	93
Kept track of their income and expenditure	78	76	75	76
At any given time knew approximately how much money they had	78	76	77	77
Adjusted their expenses according to their income	77	77	80	79
Planned for their future or long-term money needs	85	85	84	84
<b>Definition of saving</b>				
Putting money in a special place to keep it safe	34	40	41	40
Putting money aside to stop one from spending it immediately so that it is available when needed	29	31	28	29
Putting money away so that the total amount increases over time as one puts more away	12	11	12	12
Putting money aside to use later for a specific purpose	25	19	19	20
<b>Saving attitude</b>				
Willing to go without certain things to be able to save	85	87	86	86
Believe one has to save for difficult times even if income is low	94	95	95	95
Believe it is better to save where money is safe than to take risks to make more	97	98	98	98
Believe it is better to keep savings than to use it to pay a debt	38	36	34	34
<b>Attitude towards credit</b>				
Avoid borrowing money if possible	71	64	67	68
Prefer to save money for something rather than borrow to pay for it	87	85	86	86
Without borrowing money would not be able to pay for children's education	32	44	42	41
If one borrows money it is okay to pay it a bit later than agreed	42	40	41	41
Being able to borrow money when needed is more important than the amount of money one has to pay back	68	61	62	62
It is better to remain with debt than sell something to pay it off	18	13	13	14
Would be ashamed/embarrassed to admit that they needed to borrow money to meet their needs	34	31	26	28
Would be ashamed/embarrassed if they were not able to pay back money that they owed	77	66	75	74

Significantly different from total adult population



### 11.3.2. Attitudes and perceptions about financial products and institutions

It was clear from focus group discussions that the attitudes and perceptions of individuals regarding financial products and services significantly influenced the uptake and usage thereof. These discussions indicated that the most significant in this regard were:

#### ■ **Trust.**

- According to focus group participants, banks and other formal financial institutions were trusted because the people were aware that they were regulated by the BNR
- Informal savings and loans groups were trusted because they were 'policed' by their members
- Informal credit providers (such as shopkeepers) reported that they gave goods in advance of payment on trust although they vetted those they provided with this service; it was generally provided to regular customers that live in the neighbourhood

#### ■ **Perceptions about accessibility.**

- Accessibility of the institution/mechanism
- Accessibility of money

*"We (the traders) borrow from each other because there are long queues in the bank. If we borrow from each other we do not have to shut our shops ..."*  
(FGD rural area)

*"I intend to join an Umurenge SACCO ....  
You can get your money when you need it as there are not long queues like there are at the banks"*  
(Young person FGD Kigali, informal settlement)

*"We keep money at home to deal with emergencies,  
for example if a child is sick"*  
(FGD rural area)

*"We borrow from the tontine because we can get our money quickly "*  
(FGD rural area)

#### ■ **The extent to which financial institutions or mechanisms met their specific financial needs – different financial institutions were regarded to serve different needs.**

*"I borrow money from the tontine on a Tuesday to buy things to sell and pay it back on a Thursday when I have sold the goods.  
You cannot borrow money from a SACCO or bank like this"*  
(FGD rural area)

*"We borrow from the shop when we need sugar, maize flour and books for the children for school"*  
(FGD rural area)

■ **Perceptions regarding the amount they would be able to save or borrow.**

*“Every account has a purpose: Tontine to buy daily needs; SACCOs to pay school fees; and BPR (Banque Populaire) for starting an enterprise”  
(FGD Kigali, informal settlement)*

■ **Good customer service.**

*“People join SACCOs because they provide excellent customer care, a rapid service .. “  
(FGD, Kigali, informal settlement)*

*“When people saw that SACCOs give the best service they leave other banks and join an Umurenge SACCO”  
(Young person FGD, Kigali, informal settlement)*

■ **A sense of “belonging”.**

There was a sense of ownership of Umurenge SACCOs – focus group participants comparing them to the Mutuelle de Sante, a Government initiative which has proved to be beneficial to the population. In some discussions SACCOs were referred to as ‘our bank’ – they were regarded as local and accessible, and managed and run by people known to community members.

*“The people who join Umurenge SACCOs are middle and low income population. The few rich people who join do so to set an example”  
(FGD rural location)*

Table 16 gives an overview of the quantitative findings from the 2012 survey regarding these factors whilst Figures 46 to 49 explore perceived barriers to uptake and usage of formal financial products/services:

■ In terms of savings:

- Rwandan adults from outside of Kigali City were most likely to trust Umurenge SACCO’s with their savings; this was more pronounced in rural areas
- Within Kigali City adults were more likely to trust commercial banks with their savings

■ With regard to borrowing, adults seemed to have a similar attitude:

- Adults from outside of Kigali City were most likely to trust Umurenge SACCO’s as a lender; those from rural areas being the most likely to do so
- Within Kigali City, adults were more likely to trust commercial banks as a lender

■ With regard to remittance mechanisms, adults were most likely to trust mobile money and bank transfer mechanisms.

■ Although adults generally trusted commercial banks and had a positive attitude with regard to banks, the majority (60%) was of the perception that those who were not employed were not able to open a bank account – this could be expected to be a significant barrier to banking as most adults were unemployed.

**TABLE 16: ATTITUDES AND PERCEPTIONS OF RWANDAN ADULTS ABOUT FINANCIAL INSTITUTIONS AND PRODUCTS**

	% adults			
	Kigali City	Other urban areas	Rural areas	Total
<b>Most trusted savings mechanisms/institutions</b>				
Bank	60	34	27	33
Umurenge SACCO	29	46	54	49
Non-umurenge SACCO or a MFI	3	3	2	3
Savings group like a VSLA, tontine, ikibina	3	9	10	9
<b>Most trusted lenders</b>				
Bank	59	31	25	31
Umurenge SACCO	30	45	55	50
Non-umurenge SACCO or a MFI	3	3	3	3
Savings group like a VSLA, tontine, ikibina	2	12	10	9
Money lender in the community	1	2	2	2
<b>Most trusted remittance mechanisms</b>				
Bank transfer/payment into a bank account	23	25	27	26
Post Office	8	10	6	6
Western Union/money gram	8	2	2	3
Mobile money	45	35	37	38
Bus or taxi driver	7	18	19	17
Friend/family	9	10	10	10
<b>Attitudes and perceptions regarding commercial banks</b>				
Trusted banks with their money	80	72	74	75
Believed it was easy to live one's life without a bank account	52	50	43	45
Believed that if one was not employed one could not open a bank account	49	60	62	60
Believed having a bank account made it easier to get credit	91	86	85	86
Believed most services from banks were also offered elsewhere	39	43	42	41
Believed banking was for people like them	74	64	64	66
Believed banks treated people with respect	81	67	70	71

Significantly lower than total population  
 Significantly higher than total population

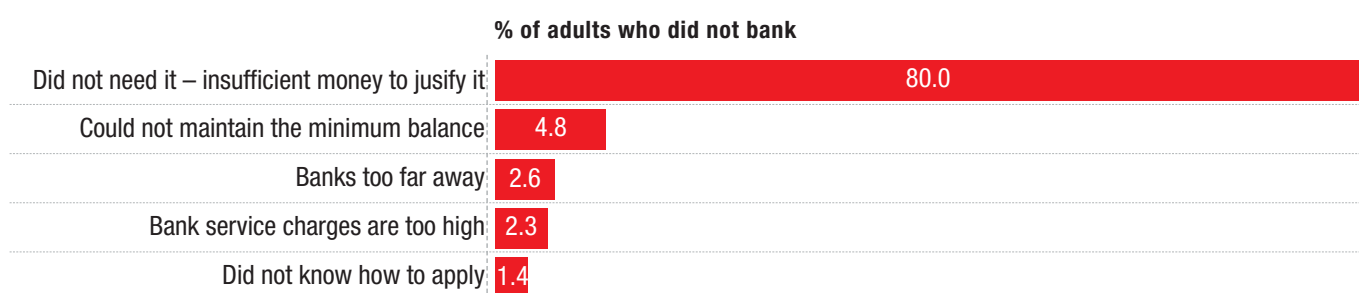


The FinScope 2012 findings illustrated regarding the reasons why adults were not using specific financial products and services substantiated the earlier assessment that proximity and eligibility were not significant in prohibiting uptake. Findings summarised in Figures 46 to 49 suggested that **individual awareness** and a **lack of understanding the value** of specific services and products were more significant barriers to uptake:

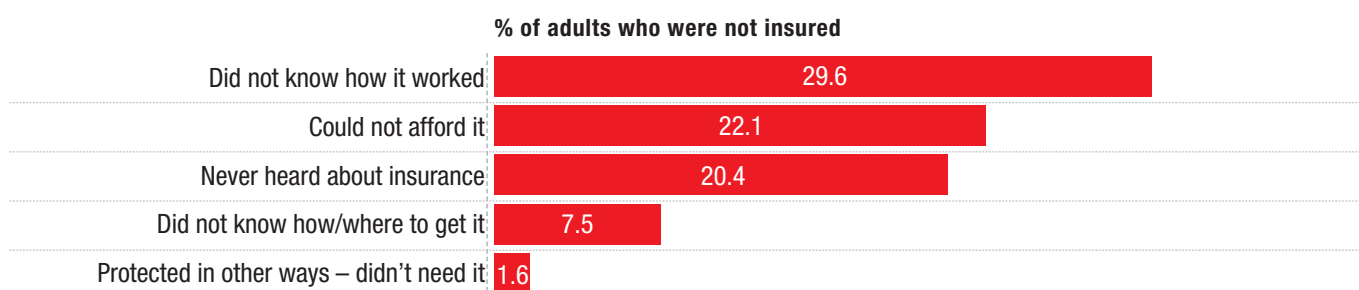
- The most significant barrier to banking was adults' perception that they *'didn't need bank accounts because they earned insufficient money to justify opening a bank account'* (80% of unbanked adults).
  - Only 7% of the unbanked cited perceived affordability as the main barrier to banking
  - 3% regarded proximity as a significant barrier

- 58% of uninsured adults either had not heard about insurance, did not know how insurance works or did not know how or where to get insurance.
  - 22% of the uninsured perceived affordability as a significant barrier
- The most significant barrier to uptake of mobile money was the perception that *'it is complicated'*.
- With regard to credit uptake, **attitude to debt** seemed to be a more significant barrier than access and eligibility or perceived affordability.
  - 45% of non-borrowers did not borrow because they feared not being able to meet repayment requirements; 5% of non-borrowers did not borrow because they did not want to borrow or did not believe in borrowing
  - 10% of non-borrowers did not borrow because they did not have collateral or did not meet other lender requirements

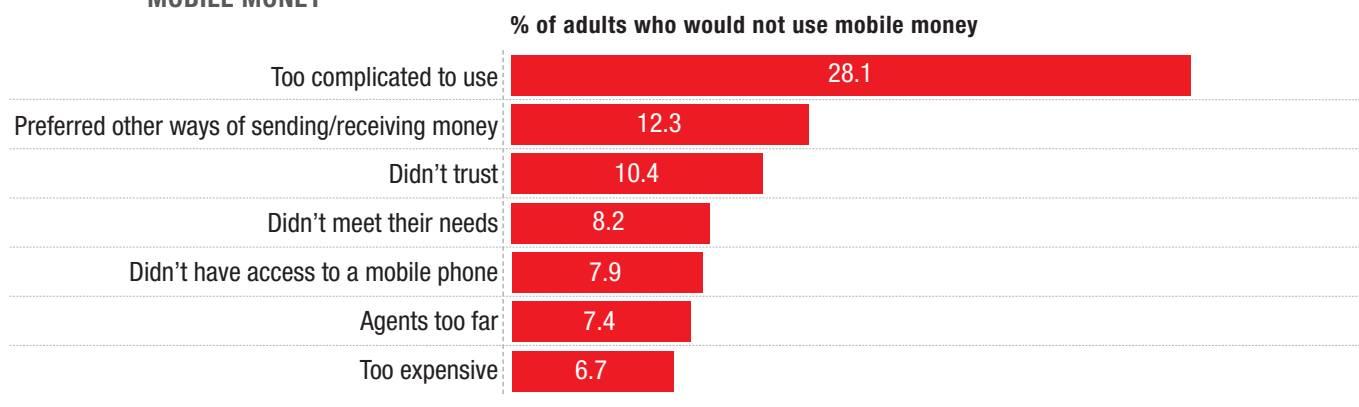
**FIGURE 46: REASONS FOR NOT USING COMMERCIAL BANK SERVICES: UNBANKED ADULTS**



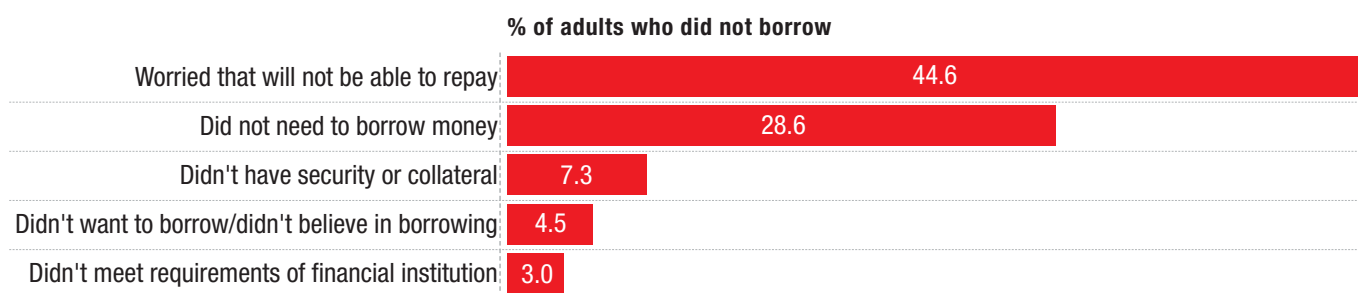
**FIGURE 47: REASONS FOR NOT USING INSURANCE PRODUCTS: UNINSURED ADULTS**



**FIGURE 48: REASONS FOR BEING UNWILLING TO USE MOBILE MONEY: ADULTS WHO REPORTED THEY WOULD NOT USE MOBILE MONEY**



**FIGURE 49: REASONS FOR NOT BORROWING: ADULTS WHO DID NOT TAKE CREDIT IN THE 12 MONTHS PRIOR TO FINSCOPE 2012**



## 11.4. Money management practices

### 11.4.1. Transacting and remitting

FinScope 2012 findings illustrated that the Rwandan payment system was primarily cash-based. Food, clothes and even larger appliances were paid for in cash. Given that farming was a predominant source of income for Rwandan adults, and the irregular nature of income from farming, sources of money for farming inputs were explored by the FinScope 2012 survey:

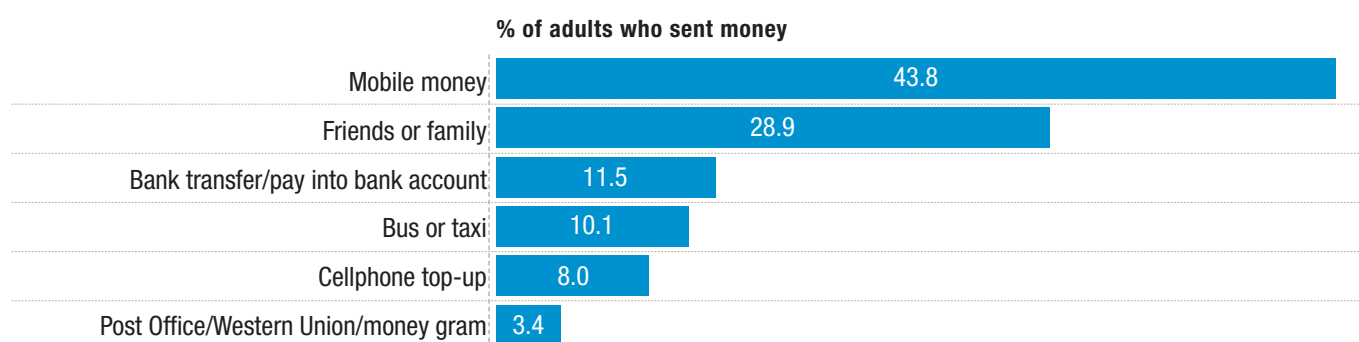
- 26% of adults who needed farming inputs did not buy these as they kept seed from their own harvest for the next season.
- 25% sold produce or livestock to get money for inputs.
- 12% used money from other sources of income.
- 6% used savings they put aside specifically for this purpose.
- 3% got money in advance from a buyer to whom they sold their products.
- 2% got these inputs from a supplier or distributor on credit.
- 2% borrowed money from a savings group.

Remittance services enable people to send and receive money both within the country and abroad. Formal remittance services provide security for users whilst informal remittance mechanisms depend largely on trust. FinScope surveys have however illustrated that in many countries informal remittance mechanisms were preferred. FinScope Rwanda 2012 revealed that:

- 14% (0.6 million) of Rwandan adults sent/received remittance money during the six month period prior to FinScope 2012.
  - 53% of those who sent/received money (7% of adults) used formal remittance services such as mobile money, Western Union, bank transfers
  - 17% of those who sent/received money (2% of adults) used informal mechanisms
  - Findings summarised in Figure 50 indicated that almost half of adults who sent money (44%) used mobile-based transfer services to do so, whilst 29% used family and friends to transport the money
- The findings that mobile-based transfer was the mechanism used by most remitters, and that mobile-based mechanisms were most trusted by Rwandan adults, could indicate that the low levels of usage of mobile money at the time of the FinScope survey, could be explained by low levels of need or awareness (at the time of the FinScope 2012 survey only 5% of adults had used mobile money services).



**FIGURE 50: REMITTANCE MECHANISMS USED BY ADULTS WHO SENT MONEY IN THE SIX MONTHS PRIOR TO FINSCOPE 2012**

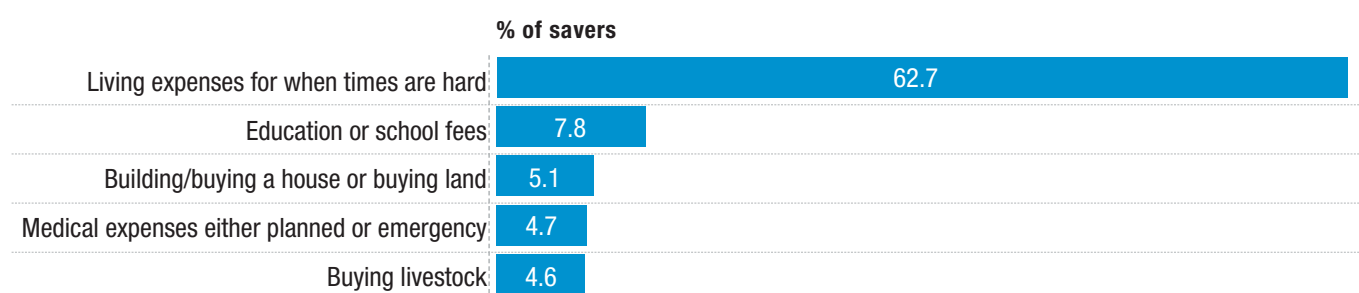


### 11.4.2. Saving

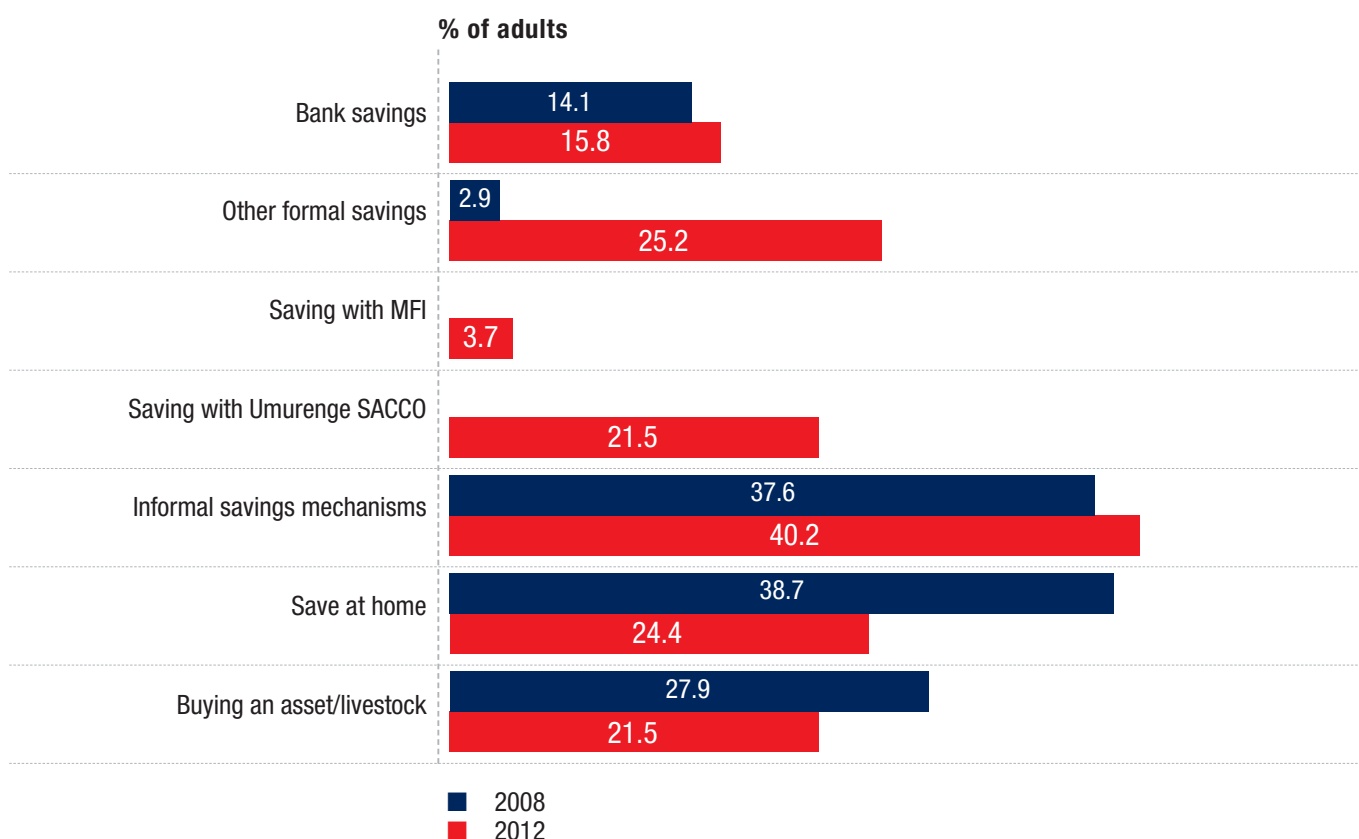
FinScope 2012 findings indicated that:

- The proportion of adults who saved or put money away increased from 54% in 2008 to 68% (3 million adults) in 2012.
- Savings behaviour of Rwandans did not have a long-term or investment orientation (Figure 51) and was not driven by a need for wealth accumulation.
  - Most adults (63%) who saved, put money away to enable them to cover living expenses during times of financial difficulty; a secondary driver of savings behaviour was school fees – 8% of savers saved for this purpose
  - Only 5% of savers saved for the purpose of investing in a house or land
- Exploring the mechanisms used for saving (Figure 52) revealed that:
  - Rwandans were most likely to save with informal groups such as tontines or VSLAs – 40% of adults
  - There was a significant shift with regard to savings mechanisms used by Rwandans since 2008
- The proportion of adults saving with formal institutions increased from 16% in 2008 to 36% in 2012.
- The proportion of adults who saved with commercial banks increased from 14% to 16%.
- The most significant driver of the increased proportion of adults saving with formal institutions was the result of the proportion of adults saving with non-bank formal institutions increasing from 3% to 25%.
- The increase in the proportion of adults saving with non-bank formal institutions was due to the significant uptake of Umurenge SACCO products – 22% of adults saved with Umurenge SACCOs in 2012.
- Since 2008, there has been a significant decrease in the proportion of adults who kept their savings at home and/or who bought livestock as a means of saving – a shift that could be linked to the uptake of Umurenge SACCO savings products.

**FIGURE 51: MAIN REASONS FOR SAVING: ADULTS WHO WERE SAVING AT THE TIME FINSCOPE 2012 WAS CONDUCTED**



**FIGURE 52: SAVINGS MECHANISMS: 2008 – 2012**



The FinScope Saving Strand is constructed based on the premise that the ultimate goal of savings initiatives is to promote uptake and usage of **formal** savings products. It is therefore constructed to illustrate the:

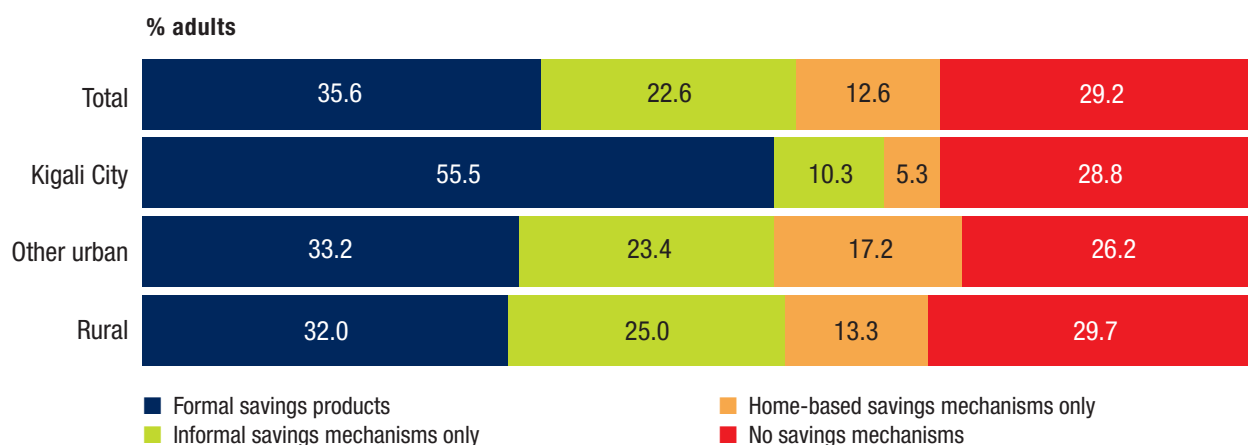
- % of adults that are **not saving**.
- % of adults who are **saving at home or in kind ONLY**.
- % of adults who are using savings products/mechanisms, but **informal mechanisms only** – these individuals might be saving at home or in kind too but their distinguishing characteristic is that they are using **informal mechanisms and NOT formal products**.
- % of adults who are saving using **formal** savings products – these individuals might be saving at home or in kind or informally too but their distinguishing characteristic is that they are using **formal savings products**.

The FinScope 2012 Savings Strand (Figure 53) indicated that 36% of adults had formal savings products, whilst 23% were using only informal mechanisms, and 13% were either saving at home or in kind. Twenty nine per cent of adults (1.5 million) had no savings.

Further analysis revealed that those adults who had no savings mechanisms were most likely to be:

- Rural-based.
- Female.
- Younger than 30 years.
- Farmers.
- In the lower categories of the poverty index (Ubudehe categories 1 to 3).

**FIGURE 53: FINSCOPE 2012 SAVING STRAND\***



\*Note: 63% of adults were saving but 71% had savings products/mechanisms indicating that 8% who had such products/mechanisms were not actively saving

It was clear from focus group discussions that individuals used multiple savings mechanisms to meet different needs. Some savings (money put aside) were kept at home so that it was available immediately when needed (mostly for day-to-day consumption needs and emergencies). The same motivation (i.e. quick access) acted as a driver for membership of a savings club. Savings clubs further facilitated depositing small amounts of money which was crucial for those dependent on irregular small amounts of income. Some saved money in savings clubs in order to accumulate savings until it was perceived to be 'a sufficient amount to put into a formal savings account'. Savings put into formal savings accounts were typically perceived to be long-term savings. Focus group participants agreed that they would want to save with a formal institution from which they would be able to borrow if they needed to get credit.

*"Every account has a purpose: Tontine to buy daily need; SACCOs to pay school fees; and BPR (Banque Populaire) for starting an enterprise "  
 (FGD Kigali, informal settlement)*

*"I am a bicyclist and on good days when I make 3,000RWF I spend half, put a quarter in the savings and loan account and a quarter in my Umurenge SACCO account."  
 (FGD, rural area.).*

*"We pay money into the tontine and when we have accumulated enough we put it in our SACCO accounts. Tontines and other banks are complementary"  
 (FGD Kigali, informal settlement)*

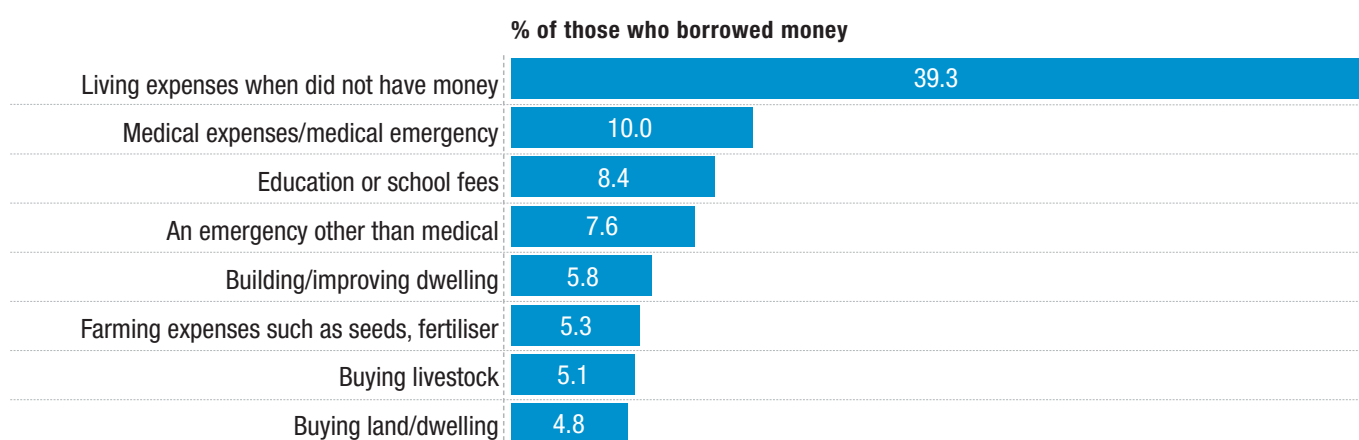
*"I do not save at home but I keep money at home to cope with day to day needs"  
 (FGD Kigali, informal settlement)*

### 11.4.3. Borrowing

FinScope 2012 findings indicated that:

- The proportion of adults who borrowed or were indebted during the 12 months period prior to the FinScope survey increased from 27% in 2008 to 56% (2.5 million adults) in 2012.
- Borrowing behaviour was short-term orientated and driven by the same factors as savings behaviour (Figure 54).
  - 39% of those who borrowed money, did so to enable them to cover living expenses during times of financial difficulty; 8% borrowed money to cover school fees; 10% borrowed to cover the cost of a medical emergency
  - Only 6% of borrowers borrowed for the purpose of investing in a house or land

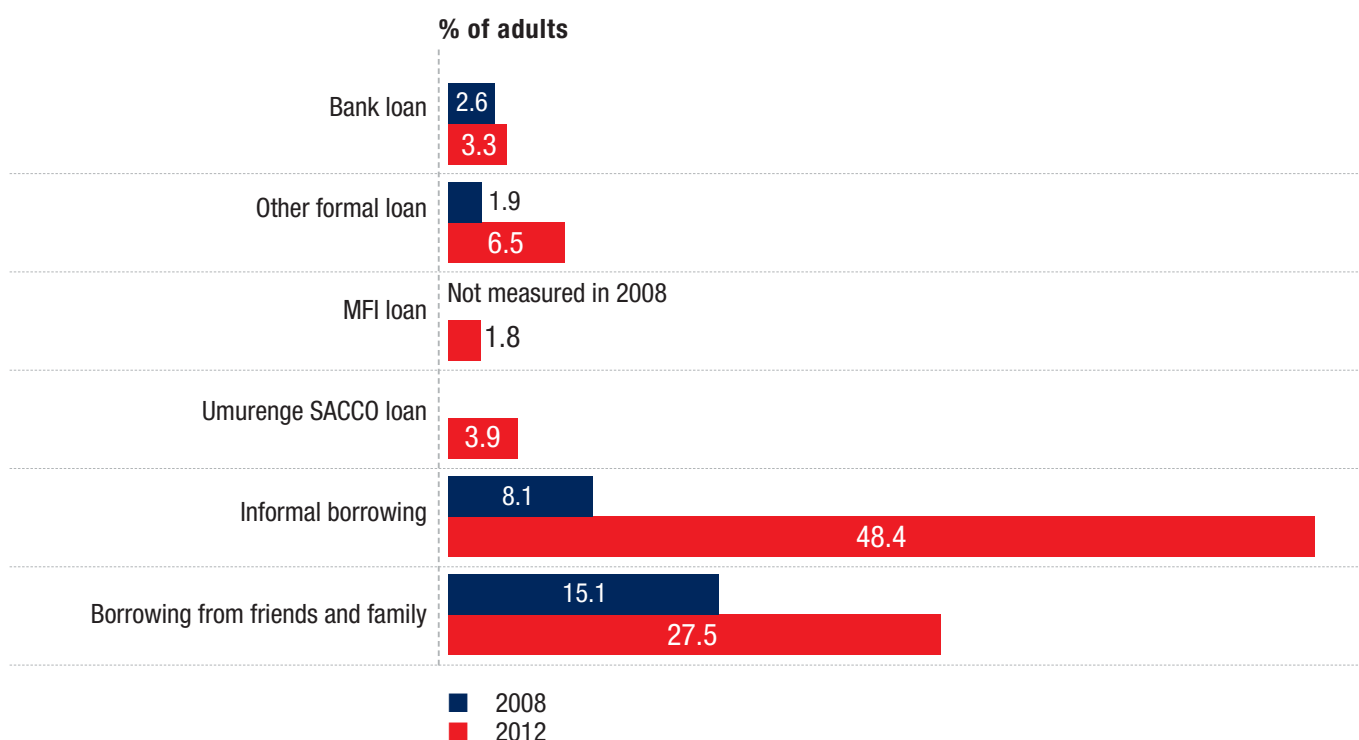
**FIGURE 54: MAIN REASONS FOR BORROWING MONEY: ADULTS WHO BORROWED IN THE 12 MONTH PRIOR TO FINSCOPE 2012**



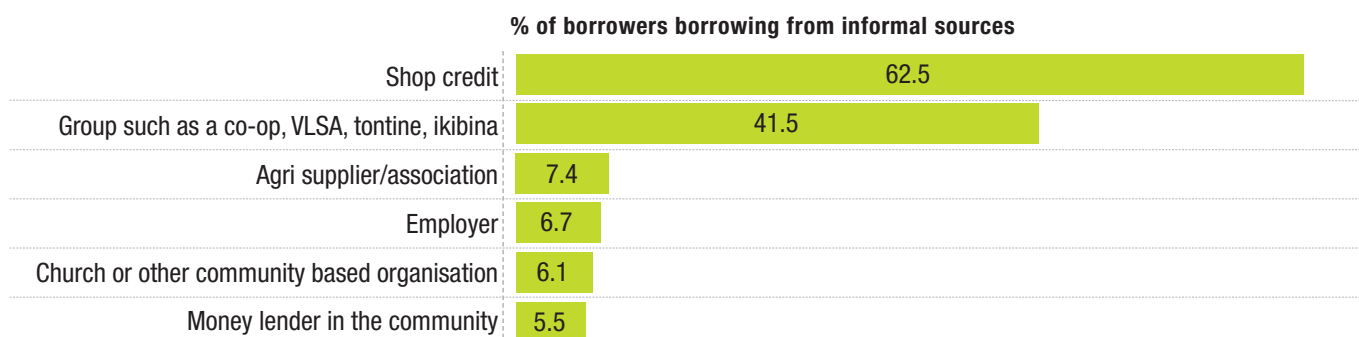
An assessment of the sources of credit used (Figure 55) revealed that:

- Most Rwandan adults used informal credit sources (48%) or borrowed from family and friends (28%) – the proportion of adults claiming to have used informal credit sources as well as the proportion claiming to have borrowed from family and friends increased significantly since 2008. Whether this was an actual increase of credit uptake or an increase in willingness to reveal having used credit could not be determined from the FinScope data.
- Uptake of non-bank formal loans increased from 2% in 2008 to 7% in 2012 – mostly due to the uptake of Umurenge SACCO loans.
- Exploring informal credit sources in more depth indicated that:
  - Most individuals (63%, Figure 56) who used informal credit got goods in advance from local shops
  - Most individuals (796 000 adults) who borrowed **money** informally borrowed from savings groups (42% of adults who used informal credit sources) rather than from money lenders (Bank Lambert); focus group participants regarded the main reasons for borrowing from savings clubs to be *quick access to money, no collateral requirements and trust amongst members*

**FIGURE 55: SOURCES OF CREDIT: 2008 – 2012**



**FIGURE 56: SOURCES OF CREDIT: ADULTS WHO BORROWED FROM INFORMAL SOURCES IN THE 12 MONTHS PRIOR TO FINSCOPE 2012**



Similar to the Saving Strand, the FinScope Credit Strand is constructed based on the premise that the ultimate goal is to promote uptake and usage of formal credit rather than informal credit. It is therefore constructed to illustrate the:

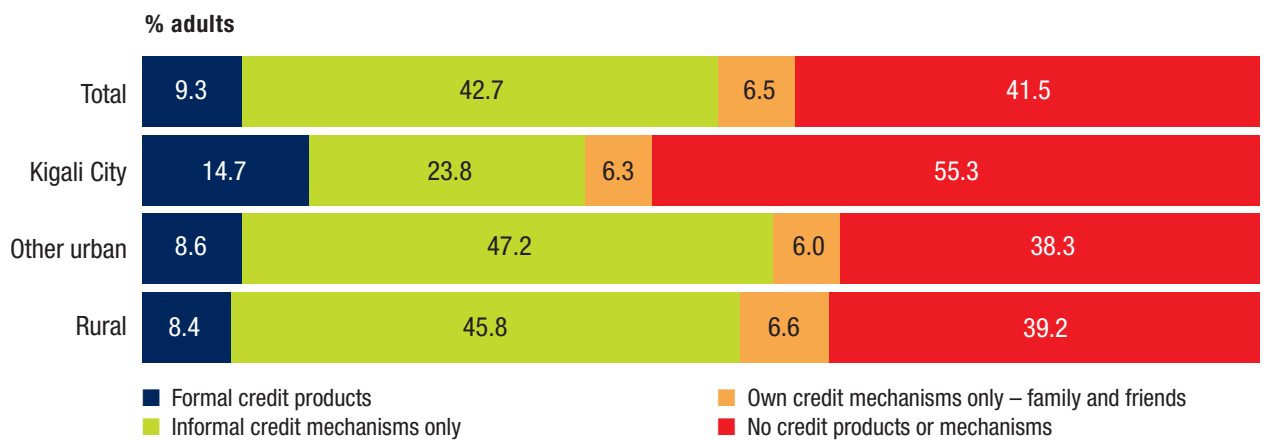
- % of adults who **do not have credit products**.
- % of adults who **borrow from family and friends ONLY**.
- % of adults who are using credit products/mechanisms, but **informal mechanisms only** – these individuals might be borrowing from family and friends too but their distinguishing characteristic is that they are using **informal credit mechanisms and NOT formal loan products**.
- % of adults who are using **formal** loan products – these individuals might be borrowing from family and friends or using informal sources too but their distinguishing characteristic is that they are using **formal loan products**.

The FinScope 2012 Savings Strand (Figure 53) indicated that 36% of adults had formal savings products, whilst 23% were using only informal mechanisms, and 13% were either saving at home or in kind. Twenty nine per cent of adults (1.5 million) had no savings.

Further analysis revealed that those adults who had no savings mechanisms were most likely to be:

- Rural-based.
- Female.
- Younger than 30 years.
- Farmers.
- In the lower categories of the poverty index (Ubudehe categories 1 to 3).

**FIGURE 57: FINSCOPE 2012 CREDIT STRAND**



Focus group discussions revealed that the general perception amongst adults was that their ability to borrow from formal financial institutions (with the possible exception of Umurenge SACCOs) was limited because of the need for collateral. Participants however differed in terms of their interpretation of what this entailed.

*“It is not easy for the poor to borrow from a bank due to lack of collateral so we borrow from friends or from tontines”  
(FGD, Kigali, informal settlement)*

*“How can I borrow money when I am living in a house as a tenant and I have no land to cultivate? Who will lend to me?”  
(FGD rural area)*

Focus group participants regarded savings club membership as a coping mechanism or a mechanism for mutual support. They borrowed from groups because there was trust amongst group members. They regarded ‘borrowing from someone in the community’ (not a group member or family and friends) as problematic as a result of lack of trust.

*“We cannot borrow money because people do not trust us to pay it back”  
(FGD Kigali, informal settlement)*

## 11.5. Risks and risk mitigation

Examining the financial risks faced by Rwandan adults put their saving and borrowing behaviour into perspective. 'Running out of money to meet household expenses' was the most prevalent amongst the financial risks experienced by Rwandan adults – 73% (3.3 million) experienced this situation in the six months prior to the FinScope 2012 survey. Other significantly prevalent risks included 'unexpected rise in prices', 'harvest/livestock losses' and 'unforeseen expenses such as medical expenses, funeral costs and school/education expenses' (Table 17).

- Adults from Kigali City were less likely than those from other urban and rural areas to have experienced running out of money for household expenses and loss of harvest or livestock.
- Adults from urban areas were more likely than adults from rural areas to have experienced having to cope with unforeseen expenses.

**TABLE 17: RISK EVENTS EXPERIENCED BY RWANDAN ADULTS IN THE SIX MONTHS PRIOR TO FINSCOPE 2012**

	% adults experiencing the event			
	Kigali City	Other urban areas	Rural areas	Total
Running out of money to meet household expenses	64	75	75	73
Unexpected rise in prices of goods, fuel	53	47	45	46
Harvest/livestock loss	18	49	50	45
Having to pay unforeseen expenses such as medical/funeral/school fees	41	38	32	34
Increase in household size	17	15	11	12
A household member who used to bring cash for the household does not bring in cash anymore	12	14	9	10
Loss of an asset/dwelling/land	3	10	8	8

Significantly lower than total population  
Significantly higher than total population



For most Rwandans, risk mitigation strategies were based on self-protection with very few protecting themselves through insurance. As was indicated earlier, risk mitigation was the main driver of saving and borrowing behaviour. The nature of their income sources however limited the savings potential of most; most (67%, Table 18) therefore had to borrow when actually faced with a risk event.

- 37% of adults belonged to savings groups.
  - 45% of group members joined a savings group because it provided them with "someone to turn to" when in financial need

In the six month period prior to the FinScope survey:

- 67% of adults borrowed when they experienced a risk event.
  - This behaviour was significantly skewed towards adults from other urban areas whilst adults from Kigali City were less likely to borrow
- 63% of adults cut down on other expenses when faced with a risk event.
- Adults from urban areas were more likely to be able to rely on savings to cope with risks than adults from rural areas.
- Risks such as 'unexpected rise in prices' and 'harvest/livestock losses' were often regarded as 'part of life' rather than 'risks' – explicit risk mitigation strategies were therefore less likely to be applied when faced with such events and most adults simply cut down on expenses to cope or 'did nothing specific'.

**TABLE 18: FINANCIAL COPING MECHANISMS APPLIED BY RWANDAN ADULTS WHEN EXPOSED TO RISK EVENTS IN THE SIX MONTHS PRIOR TO FINSCOPE 2012**

	% adults			
	Kigali City	Other urban areas	Rural areas	Total
<b>Coping mechanism: Irrespective of risk</b>				
Claimed insurance/policy pay-out	2	2	2	2
Used savings	43	49	30	34
Sold something to get money	10	27	22	21
Cut down expenses	61	69	62	63
Borrowed money	45	75	71	67
<b>Specific risk: Running out of money to meet household expenses</b>				
Claimed insurance/policy/pay-out	1	1	1	1
Used savings	8	16	10	10
Sold something to get money	5	12	8	8
Cut down expenses	19	19	19	19
Borrowed money	26	33	34	33
<b>Specific risk: Unexpected rise in prices of goods, fuel</b>				
Claimed insurance/policy pay-out				
Used savings	21	15	12	14
Sold something to get money	3	7	7	7
Cut down expenses	43	43	38	40
Borrowed money	8	13	17	15
<b>Specific risk: Harvest/livestock loss</b>				
Claimed insurance/policy pay-out				
Used savings	7	17	10	10
Sold something to get money	2	8	7	7
Cut down expenses	26	23	27	26
Borrowed money	11	18	18	18
<b>Specific risk: Having to pay for unforeseen expenses such as medical/funeral/school fees</b>				
Claimed insurance	4	2	2	2
Used savings	26	19	16	18
Sold something to get money	5	13	14	12
Cut down expenses	12	11	11	11
Borrowed money	26	41	43	40

Significantly lower than for total adult population

Significantly higher than for total adult population



It was indicated earlier that 84% of Rwandans claimed to plan for future events which would have a significant financial impact, and it was clear that their savings and borrowing behaviour was driven by a need to mitigate what they regarded as 'risk'. As 'risk' to most implied 'running out of money' or 'dealing with a medical emergency', the latter seemed more short-term orientated. *Future planning* might therefore, for most Rwandans, not refer to *long term* planning; it might only refer to coping with future day-to-day needs and smoothing cash flow as the FinScope 2012 findings summarised in Table 19 indicated that:



- Rwandan adults tended to apply their risk mitigation strategies when faced with unplanned events, rather than to cope with major life events that could be foreseen.
  - 22% of adults would borrow and 20% would use savings when faced with a medical emergency; 18% were of the opinion that their medical insurance would be adequate
  - With regard to weddings and funerals, adults were more likely to rely on family and friends and had no specific financial plans of how to cope with these events – it is likely that these events were regarded as ‘family affairs’ and therefore elicited a response (financial and otherwise) from family and friends
  - Adults were more likely to rely on savings with regard to children’s education than for weddings and funerals; most however seemed not to have a strategy to cope with education expenses (which might be explained by the fact that school education is free and Government schools are not permitted to exclude children because they do not have school uniforms, text books or other school materials or because their parents do not make voluntary contributions to the school)

**TABLE 19: FINANCIAL COPING MECHANISMS PUT IN PLACE BY RWANDAN ADULTS TO COPE WITH MAIN LIFE EVENTS**

	% adults			
	Kigali City	Other urban areas	Rural areas	Total
<b>Wedding</b>				
Rely on family and friends to help cover costs	34	29	28	29
Don't know/haven't thought about it	33	24	26	27
General savings	12	12	11	11
Using savings put aside for this purpose	12	12	10	11
Sell something to cover the cost	1	7	9	7
Rely on community to help cover costs	1	8	5	5
<b>Funeral</b>				
Rely on family and friends to help cover costs	59	33	37	39
Don't know/haven't thought about it	13	14	15	14
Rely on community to help cover costs	3	17	13	12
General savings	15	12	9	10
Borrow from family/friend	2	6	8	7
<b>Children's education</b>				
Don't know/haven't thought about it	31	28	33	32
General savings	27	27	21	23
Sell something to cover the cost	3	11	11	9
Using savings put aside for this purpose	11	11	8	9
Borrow from family/friend	3	8	9	8
<b>Medical emergency</b>				
Borrow from family/friend	9	22	24	22
General savings	30	22	18	20
Have a policy that will cover it	19	15	18	18
Sell something to cover the cost	4	10	11	10
Rely on family and friends to help cover costs	12	6	5	6

Significantly lower than for total adult population  
 Significantly higher than for total adult population



## 11.6. Household and community environments

An individual does not exist in isolation. The behaviour of an individual is influenced by his/her environment. The impact of the household and community environments on the financial behaviour of Rwandan adults was therefore explored.

### 11.6.1. The household

The position and responsibilities of an individual in the household significantly impacts on his/her capacity to engage with the financial sector. Understanding these household dynamics would be important in gauging the true potential market that exists for various service providers and policymakers alike.

According to the FinScope 2012 survey findings:

- 56% of Rwandan adults were regarded as the head of their households.
  - 83% of household heads were male, 17% female
  - 79% of household heads had achieved at most primary school levels of education; 27% had no formal education
  - 88% brought cash income into the household
  - 59% had money of their own that they could do with as they wanted to
  - Of the household heads that did not have money of their own, the income of 76% went into household expenses whilst a further 5% of them gave their income to a household member
  - All (99.5%) household heads were involved in decision making about household finances
- 28% of adults were the spouse or partner of the head of the household.
  - 44% of spouses/partners had money of their own
  - Of those who did not have money of their own – the money of 76% went into household expenses; 18% had no income; 4% gave their income to a household member
  - 77% of spouses/partners were involved in making decisions about household finances
- 9% of adults were children (aged 18 years or older) of the head of the household or their spouses/partners.
  - 60% of these adults had money of their own
  - Of those who did not have money of their own – the money of 44% went into household expenses; 42% had no income; 10% gave their money to a household member
  - 57% of children aged 18 years or older were involved in decisions about household finances
- 6% of adults were extended family members of the head of the household or their spouses.
  - 54% of extended family members who were living with the household had money of their own
  - Most of the extended family who did not have money of their own had no income
  - 43% of extended family members were involved in decisions about household finances

On average, Rwandan adults were from households with five individuals dependent on the household income:

- 6% were from households with one or two dependents.
- 59% from households with three or four dependents.
- 35% from households with more than four dependents.

## 11.6.2. The community

Based on the criteria applied by individuals when they choose financial institutions and services (such as convenience and accessibility, trust, etc.) the characteristics of the community they live in could potentially influence whether or not they use financial products or services, as well as the **type** of services (e.g. formal vs. informal; commercial bank vs. Umurenge SACCO) they choose to use.

The findings summarised in Tables 20 and 21 highlighted that:

- Limited access to basic amenities meant that chores such as fetching drinking water and firewood for cooking purposes were a daily reality for most Rwandan households especially in rural communities.
- Perceived accessibility of formal financial institutions in rural communities was affected by limited access to reliable and affordable public transport.
- Most Rwandan adults (92%) perceived their communities to be characterised by high levels of communal support.

These findings, together with the fact that most Rwandans relied on income generating activities that were often linked to the amount of time and effort they put in, emphasised a reality often overlooked by formal financial service providers. These individuals could simply not afford the opportunity costs linked to formal financial inclusion (such as time taken to reach such facilities, the cost of public transport, waiting in queues to be served, and services that did not effectively meet their needs). Within an environment with high levels of communal support it could therefore be expected that there would be high levels of informal financial activity.

The findings of FinScope 2012 did however illustrate that recent initiatives, the Umurenge SACCO initiative in particular, have been successful in terms of providing an alternative to those who were not formally served. The proportion of adults using the informal sector to **complement** the formal sector in terms of meeting their needs rather than **exclusively relying** on the informal sector showed significant increase. This phenomenon indicated that Rwandans appreciated the value of the SACCO initiative in terms of overcoming most of the traditional barriers to formal financial service provision – especially in rural areas.



**TABLE 20: PHYSICAL RESOURCES WITHIN RWANDAN COMMUNITIES**

% adults				
	Kigali City	Other urban areas	Rural areas	Total
<b>Access to drinking water</b>				
Piped water in the dwelling or yard	40	9	3	9
<b>Access to sanitation facilities</b>				
Own household toilet	80	86	87	86
Share toilet with other households	18	10	7	9
Don't have toilet facilities at all	2	4	6	5
<b>Energy sources used for cooking</b>				
Firewood	38	85	94	85
Charcoal	59	12	3	12
Electricity	0.4	0.4	0	0.1
<b>Energy sources used for lighting</b>				
Oil lamp	16	24	31	28
Lantern (Agatadowa)	8	39	26	25
Electricity	64	19	8	16
Batteries and bulb	1	6	13	11
Candle	11	7	6	7
<b>Overcrowding</b>				
More than 3 people sharing a room for sleeping purposes	38	42	50	47
<b>Connectivity</b>				
Access to a landline/mobile phone/internet	87	69	63	67
<b>Perceived access to financial institutions</b>				
Umurenge SACCO within an hour's reach	84	63	56	61
Commercial bank within an hour's reach	77	57	38	46
<b>Availability of public transport to access financial institutions</b>				
Can access nearest SACCO with public transport	52	45	32	37
Can access bank with public transport	62	48	36	41
<b>Perceptions about public transport</b>				
Reliable	86	64	47	54
Affordable	69	37	28	35
Safe to use	87	73	58	64

Significantly lower than for total adult population  
 Significantly higher than for total adult population

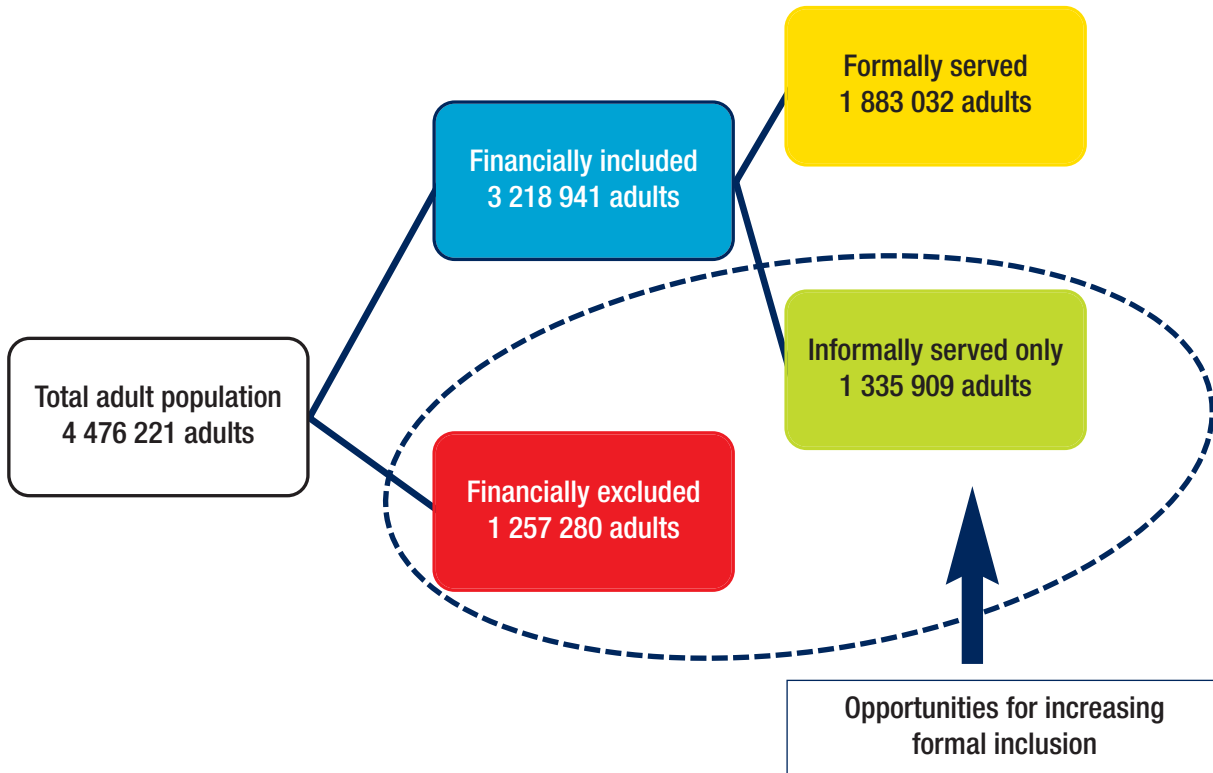

**TABLE 21: COMMUNAL SUPPORT WITHIN RWANDAN COMMUNITIES**

% adults				
	Kigali City	Other urban areas	Rural areas	Total
Have people in the community to turn to	78	70	72	73
People in the community rely on each other for support	92	91	92	92

# 12. Access Frontier for Formal Inclusion

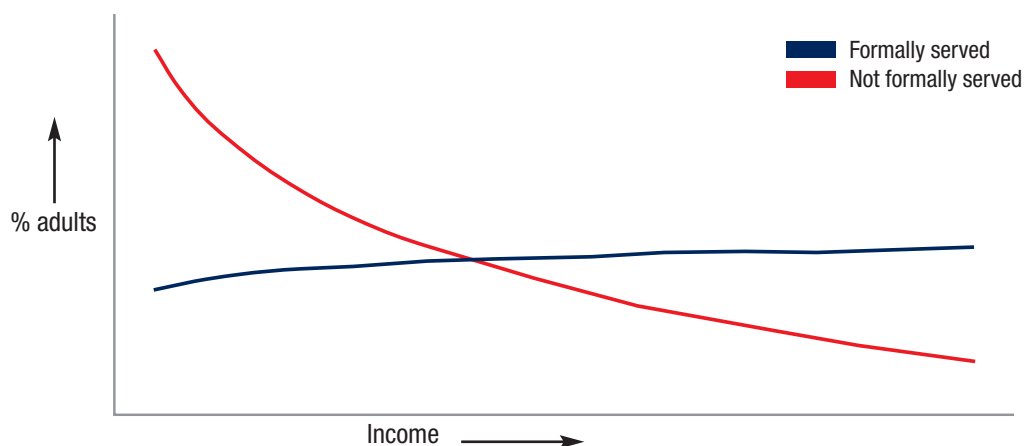
To identify opportunities to **increase formal financial inclusion**, financial service providers and decision makers would have to look at those individuals who were not formally served. This would be the adults who were **informally served only**, and those who were **financially excluded** (Figure 58).

**FIGURE 58: OPPORTUNITIES FOR INCREASED FORMAL INCLUSION: DETERMINING THE ACCESS FRONTIER**

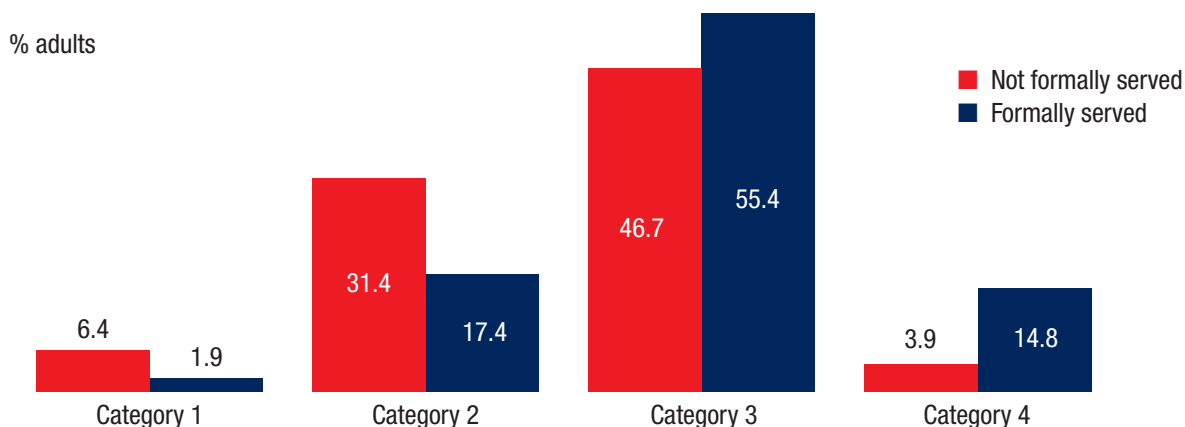


The economic realities of adults who were not formally served (i.e. adults who were informally served only and those who were financially excluded) at the time the FinScope 2012 survey was implemented, became clear when their income and socio-economic attributes were compared to those of the formally served (Figures 59 and 60) – more than 70% of adults who were not formally served lived below the Rwandan poverty line of RWF 13,397 per adult per month. It should however be emphasised that the socio-economic attributes and lower levels of income of those who were not formally served did not imply they did not provide financial service providers with viable business opportunities (40% of adults who **were formally served** lived below the Rwandan poverty line).

**FIGURE 59: INCOME TREND CURVES**



**FIGURE 60: SOCIO-ECONOMIC STATUS: PERCENTAGE ADULTS PER UBUDEHE HOUSEHOLD CATEGORY**



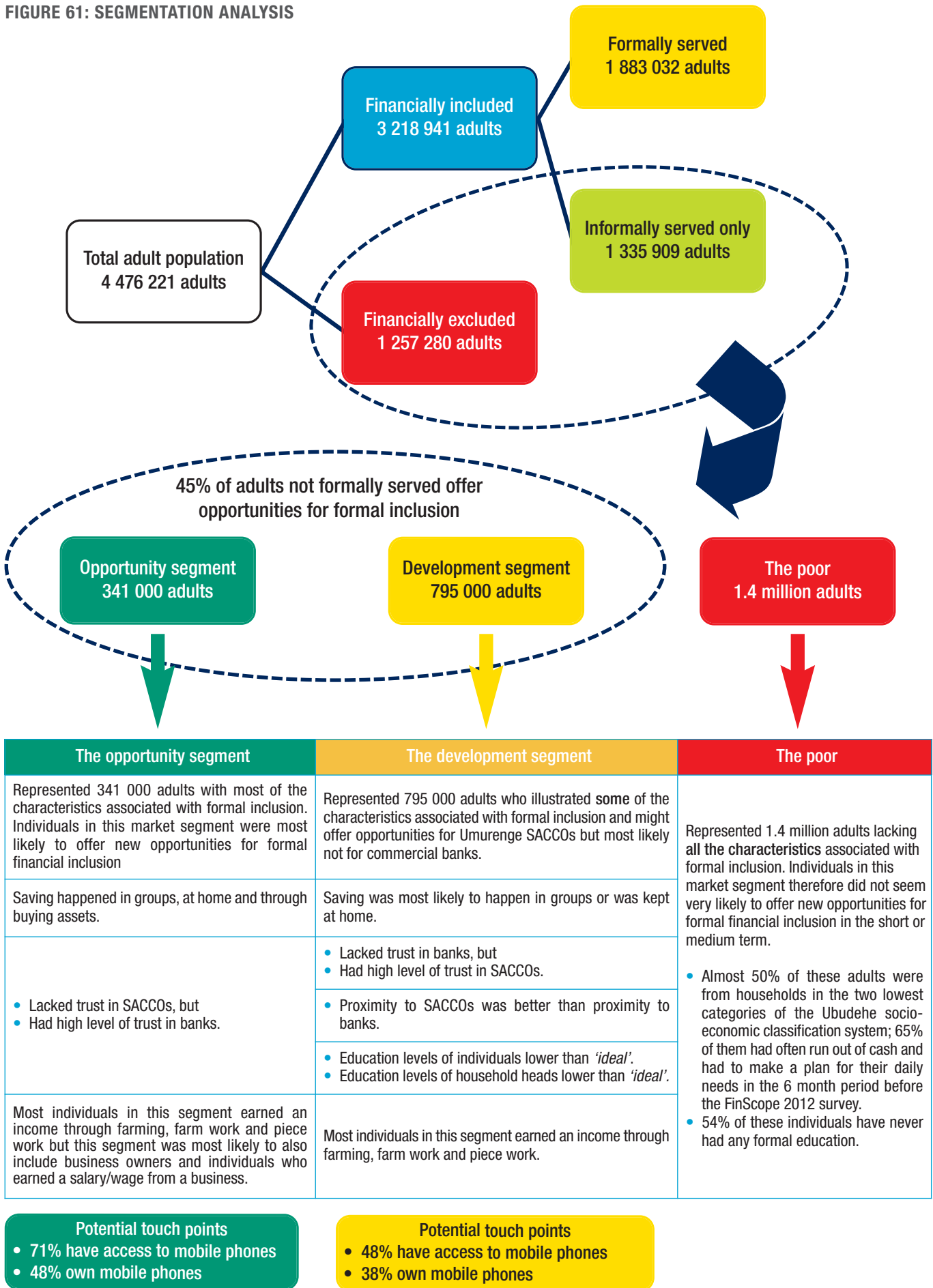
Opportunities for formal financial inclusion could be identified by attempting to find individuals with characteristics similar to those who were formally served amongst those who were not formally served. For this purpose the Yakini Capacities Assessment Model (Y-CAM), developed by Yakini, was used. In principal, the Y-CAM compares market segments and determines how they differ in terms of the capacities they have. The model is based on the premise that in order to achieve an intended intervention outcome in a specific market segment, this market segment needs certain minimum capacities. Applying the Y-CAM in terms of this analysis, the aim was first to identify the capacities/characteristics of formally served adults that distinguished them from those who were not formally served.

The findings of this assessment indicated that the following characteristics were most significantly associated with formal inclusion – adults who were not formally included but possessed these characteristics would therefore represent potentially viable opportunities for formal inclusion:

- Having achieved at least primary school levels of education.
- Saving through informal mechanisms, keeping savings at home and/or saving in kind.
- High level of trust in formal financial institutions in terms of savings.
- Perception that formal financial institutions cater “for the people”.
- Being from a household with higher socio-economic status (at least category 3 in terms of the Ubudehe categorisation).
- Being from a household with a household head who had at least completed primary school education.
- Being from communities where the time taken to reach financial institutions was similar to time taken to reach sector offices and schools.

As a second step in identifying formal inclusion opportunities, segmentation analysis was applied in order to find market segments comprising of adults not formally served but who illustrated the characteristics most significantly associated with formal inclusion. Three distinctly different market segments were identified (Figure 61) indicating that 45% of adults who were not formally served offered new market opportunities for formal financial service providers.

FIGURE 61: SEGMENTATION ANALYSIS



Figures 63 to 65 provide an overview of the relative distribution of adults in the different market segments.

**FIGURE 62: DISTRICT MAP**



**FIGURE 63: RELATIVE DISTRIBUTION OF ADULTS IN THE 'OPPORTUNITY' SEGMENT PER DISTRICT**

- 500 adults





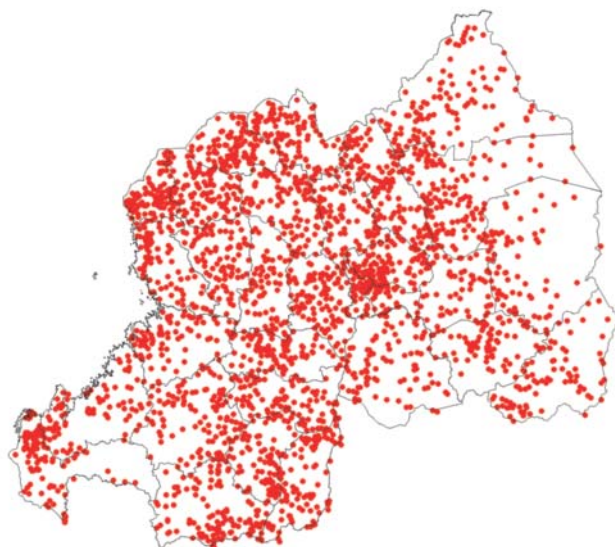
**FIGURE 64: RELATIVE DISTRIBUTION OF ADULTS IN THE 'DEVELOPMENT' SEGMENT PER DISTRICT**

- 500 adults



**FIGURE 65: RELATIVE DISTRIBUTION OF ADULTS IN THE 'POOR' SEGMENT PER DISTRICT**

- 500 adults



# 13. Conclusion

Findings of the FinScope Rwanda 2012 survey indicated that the financial landscape in Rwanda has changed significantly since 2008. Although the banking sector and the informal sector both played significant roles in increasing access to financial services, the establishment of Umurenge SACCOs has played the most significant role. With 40% of its members being farmers, the Umurenge SACCO initiative seemed to have been successful in providing formal financial services to Rwandans who most likely would otherwise not have used formal financial services. Active usage of SACCO products further indicated that it has done so in a manner that seemed to address the needs of consumers. In terms of its incremental effect on inclusion, Umurenge SACCOs have provided:

- 10% of adults who were formerly **financially excluded**, with formal financial services.
- 16% of adults who were formerly **not served by formal financial institutions** with formal financial services.

One of the questions raised by financial sector decision makers was whether or not Umurenge SACCO membership was linked to members giving up other financial products or services to become SACCO members. FinScope findings illustrated that this phenomenon, although present, was not significant:

- 9% of SACCO members (i.e. 2% of adults) stopped using another financial product or mechanism (either formal or informal) when they joined a SACCO.
- 4% of SACCO members (i.e. less than 1% of adults) stopped using another formal financial product when they joined a SACCO.

The challenge for Umurenge SACCOs to continue to be perceived as ‘the people’s bank’ lies within their ability to ensure their sustainability and to harness the trust that currently exists amongst Rwandans – especially in rural areas – to build on the current membership base.

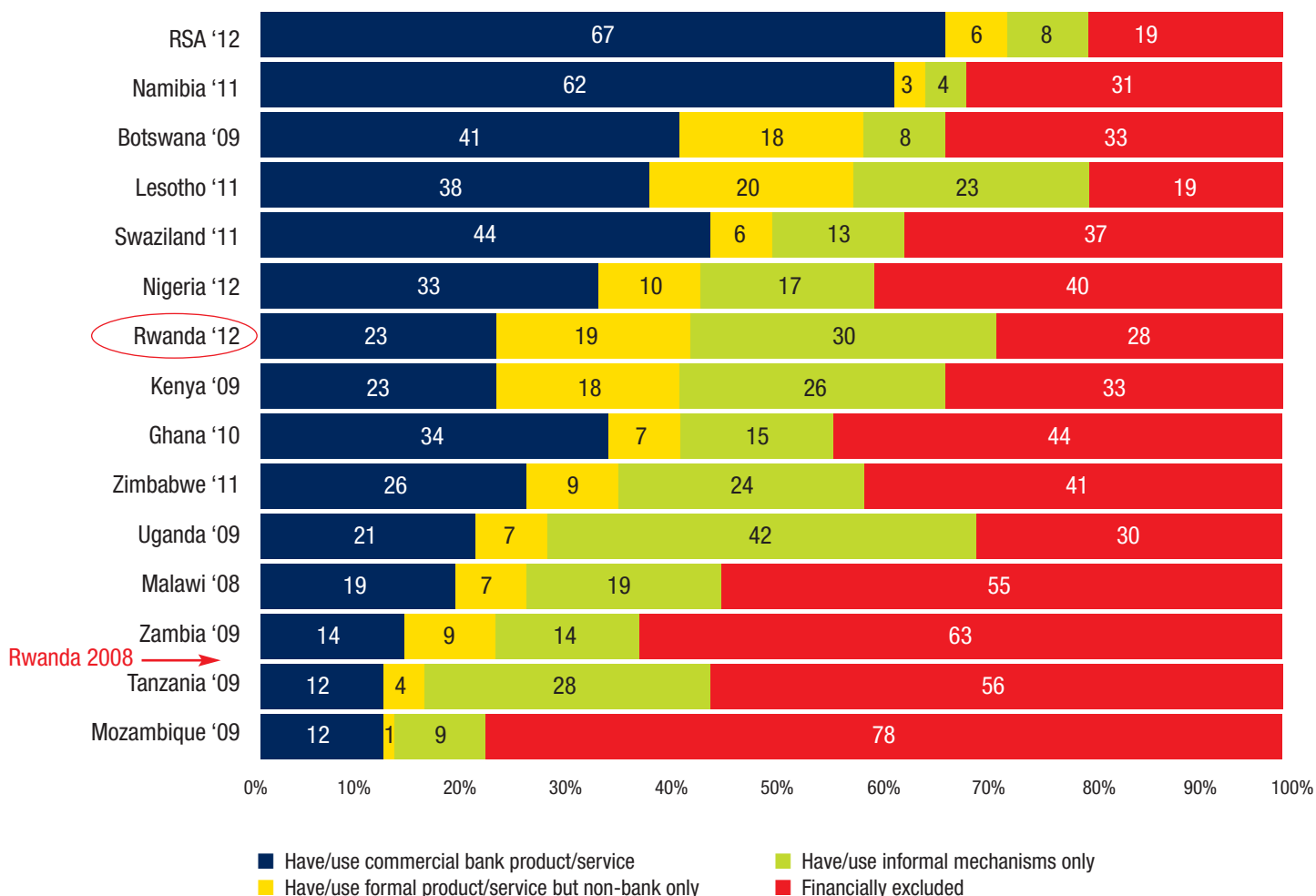
Key challenges include:

- Strengthening SACCO management in terms of functions such as administration, governance, accountability and quality of service.
- Ensuring that SACCOs have the facilities and equipment needed to facilitate their activities.
- Providing a broader base of products and services specifically designed to meet the needs of middle and lower income Rwandans.
- Putting in place measures aimed at consumer protection and quality of service.



Comparing the Rwandan Financial Access Strand with that of other countries where FinScope surveys have been conducted, illustrated the significant progress Rwanda has made since 2008 in pursuit of reaching the 2017 formal financial inclusion target (Figure 66).

**FIGURE 66: COUNTRY COMPARISON OF FINANCIAL ACCESS STRANDS: COUNTRIES WHERE FINSCOPE SURVEYS HAVE BEEN CONDUCTED**



Efforts to reach the target of 80% formal financial inclusion by 2017 will however encounter significant challenges. FinScope 2012 findings indicated that 1.4 million (56%) of the 2.3 million Rwandan adults who were not formally served were not very likely to offer new opportunities for formal financial inclusion in the short or medium term.

One of the key barriers to uptake of formal financial products and services was consumers' lack of awareness or understanding of how the uptake and usage of financial products would improve their lives. With more than 70% of adults who were not formally served living under the Rwandan poverty line, the challenge of illustrating the value of formal financial inclusion to improve livelihoods will be significant.



# Annexure: Questionnaire

## FinScope Rwanda 2012 Draft Questionnaire

### A. Interview detail

A1. Urban/Rural/Kigali City:		
A2. Province/Kigali City:		
A3. District:		
A4. Sector:		
A5. Cellule:		
A6. EA/Village (Umudugudu):		
A7. Number of Sample Household:		

### B. Household register

#### Introduction

Hello, my name is ..... I do interviewing on behalf of ..... We are interviewing people to find out more about their lives so that we can help develop ideas on how to improve it. Your household has been selected to be part of a national survey. First I have to make a list of everyone in your household in order to choose one person in particular to interview. Please do not feel bad if you are not chosen to be interviewed – we cannot interview everyone in the household and I have to follow a specific procedure to choose the person I have to interview. Can I continue?

#### B1. How many people are part of this household?

When I say household I mean a person or group of persons who usually cook, eat and live together. These people may or may not be related by blood, but I am talking about those who sleep in the household at least 5 nights per week

- Record full names of all members of the household in separate grids below in order of oldest to youngest. Separate those who qualify and those who don't. (Note: a person who qualifies is a household member who is 16 years or older and who are in the EA during the FULL period of interviewing)
- Please remember to record the respondent selected for the interview from the Kish table in the column provided.

	Name of household member	Age	Gender 1=Male, 2=Female	Does ... bring money into hh? 1=Yes, 2=No	Respondent
Individuals who qualify					1
					2
					3
					4
					5
					6
					7
					8
	Name of household member	Age	Gender 1=Male, 2=Female	Does ... bring money into hh? 1=Yes, 2=No	Reason for individual 16+ not qualifying
Individuals who do not qualify					

## Kish Grid

In order to determine who you will be interviewing you will need the last two digits of the questionnaire number as stated on page 1 of the questionnaire, and the number of qualifying adults (16+) in the household who qualify for the survey (from the household register).

- Find the number running down the left side of the table that matches the last 2 digits of the questionnaire number, and the total number of household members that qualify running across the top of the table.
- Circle the number where these two numbers meet in the table.
- This is the number of the person that you will interview – record on previous page and check details.
- Interview the selected individual.

QUESTIONNAIRE NUMBER ENDS IN				NUMBER OF QUALIFYING ADULTS IN HOUSEHOLD THE RESPONDENT MUST BE DRAWN FROM																								
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
01	26	51	76	1	1	1	3	2	4	1	3	5	8	6	5	12	10	1	6	8	7	19	19	13	21	13	24	25
02	27	52	77	1	2	3	4	3	1	2	2	3	4	8	3	7	2	5	14	4	15	4	8	6	16	14	22	19
03	28	53	78	1	1	2	1	4	2	7	6	9	3	5	11	2	1	3	11	7	10	16	16	10	5	2	2	3
04	29	54	79	1	2	3	2	1	3	5	8	6	2	4	2	4	8	11	10	16	6	9	10	15	11	12	11	18
05	30	55	80	1	1	1	4	5	6	3	5	7	5	9	8	13	3	2	13	5	18	1	4	1	20	11	5	24
06	31	56	81	1	2	2	2	3	5	6	7	8	7	1	4	9	14	8	2	17	17	14	12	14	22	10	3	14
07	32	57	82	1	2	1	1	4	1	4	1	4	6	3	6	5	7	13	9	2	3	13	14	8	2	7	20	4
08	33	58	83	1	1	2	3	2	5	1	4	2	1	7	10	6	5	4	15	10	5	2	13	4	17	5	17	8
09	34	59	84	1	1	3	2	5	6	2	2	1	9	10	1	10	4	6	6	1	9	10	1	5	6	9	1	12
10	35	60	85	1	2	2	4	1	3	3	6	9	10	11	12	3	9	15	7	8	11	6	3	9	4	3	10	1
11	36	61	86	1	1	1	3	1	4	5	3	1	6	2	9	13	11	14	4	11	4	15	15	17	1	1	23	2
12	37	62	87	1	2	3	1	3	2	7	5	6	5	7	7	8	6	10	3	3	1	12	20	7	13	22	12	16
13	38	63	88	1	1	2	1	5	3	6	4	3	4	6	2	11	13	12	1	15	8	7	2	12	15	21	13	7
14	39	64	89	1	2	3	2	4	1	4	7	8	2	5	6	11	12	9	16	13	16	11	18	18	14	16	18	23
15	40	65	90	1	2	1	4	2	4	3	8	7	7	11	1	3	5	7	12	14	13	8	17	20	19	20	19	11
16	41	66	91	1	1	3	3	1	6	5	1	5	9	10	3	2	11	13	8	12	12	5	6	21	8	8	4	15
17	42	67	92	1	1	2	3	4	2	6	4	2	3	2	12	5	2	10	13	5	8	18	9	16	10	17	16	20
18	43	68	93	1	2	1	4	2	6	4	1	4	8	9	10	7	9	3	12	12	9	7	20	19	9	19	21	13
19	44	69	94	1	2	2	1	3	5	2	8	9	10	4	9	8	13	1	1	14	10	19	10	11	18	15	7	6
20	45	70	95	1	1	3	2	5	4	1	3	8	1	3	8	6	6	9	5	7	13	4	15	1	7	22	15	21
21	46	71	96	1	1	1	2	5	1	7	2	3	2	1	11	4	7	5	3	2	1	3	12	18	5	19	14	9
22	47	72	97	1	2	1	3	1	3	2	6	2	1	8	7	1	4	2	11	8	2	17	4	17	21	16	3	5
23	48	73	98	1	2	3	4	2	2	6	7	7	8	3	4	9	3	6	2	11	11	16	2	8	11	23	6	22
24	49	74	99	1	1	2	1	4	6	3	5	5	3	1	5	13	1	14	8	14	6	15	9	14	3	6	9	17
25	50	75	00	1	1	2	3	3	2	4	6	4	7	5	3	12	12	12	4	6	2	17	11	2	12	4	8	10

## C. Household Information & Demographics

<b>C1.</b>	<b>Do you consider yourself the head of the household?</b> 1=Yes 2=No <b>If Yes GO to C2</b> <i>Note: Head of household must be currently living in the household and is the person(s) who the respondent regards as head of the household.</i>	
C1a	How old is the head of the household?	
C1b	Is the head of the household male/female? 1=Male 2=Female	
C1c	Highest level of education completed by the head of the household <b>(Single mention)?</b> 1= No formal education, 2=Primary 1-3, 3=Primary 4-6, 4=Secondary 1-3, 5=Secondary 4-6, 6=University or other higher education, 7=Vocational training, 8=Don't know	
C1d	Does the head of the household bring money into the household? 1=Yes, 2=No	
C1e	How many people depend on the household income? (please include individuals not part of the household but still dependent on the household income) 99=Don't know	
C1f	What is your relationship to the head of the household <b>(Single mention)?</b> 1= Spouse/partner, 2= Child, 3= Parent/parent-in-law, 4= Other relative, 5=Tenant, 6=Housekeeper, 7=Other	
<b>C2</b>	<b>How old are you?</b>	
<b>C3</b>	<b>Gender</b> 1= Male, 2=Female	
<b>C4a</b>	<b>What is the highest level of education you have completed (Single mention)?</b> 1= No formal education, 2=Primary 1-3, 3=Primary 4-6, 4=Secondary 1-3, 5=Secondary 4-6, 6=University or other higher education, 7=Vocational training	
<b>C4b</b>	<b>Which of the following applies to you (Single mention)?</b> 1=Never married; 2=Married; 3=Living together; 4=Divorced/Separated, 5=Widowed	
<b>C5</b>	<b>In different households, different people make the decisions about finances. Please tell me who is responsible for your household's financial decisions. By this I mean decisions about the purchasing of goods and services for the household and how and where to save and spend money for the household. Which of the following describes your situation best? Read out; Single mention</b> 1= You alone, 2= You and your spouse/partner, 3= You and other household/family members, 4= You are not involved in these decisions	
<b>C6</b>	<b>How would you describe your general state of health? Read out; Single mention</b> 1= Satisfactory – don't often need treatment/medical attention, 2= Not satisfactory – often need treatment/medical attention	
<b>C7</b>	<b>When you are ill, where do you mostly go to be treated? Spontaneous; don't read. Single mention</b> 1= Public health care facility, 2= Private health care facility, 3= Private doctor, 4=Private nurse, 5=Traditional healer, 6= Other, 7= Does not take treatment	
<b>C8</b>	<b>Thinking back over the past three months:</b>	
C8a1	<b>How often have you or your household had to skip a meal because you didn't have food?</b> 1= Many times, 2= A few times, 3= Never, 4= Refused	
C8a2	<b>Who would you first turn to for help if you don't have food? Spontaneous - don't read out. Single mention</b> Family/relative=1; Friend/neighbour=2; Employer=3; Community based organization e.g. like CARE=4; Church=5; Financial institution like a bank or SACCO=6; Government=7; Savings club, tontine or ikibina=8; Money lender in community=9; Farmers association=10; No one=11; Don't know=12; Other=13	
C8a3	<b>How often have you or your household had to go without medical treatment/medicine because did not have money for treatment/medicine?</b> 1= Many times, 2= A few times, 3= Never, 4= Refused	
C8a4	<b>Who would you first turn to for help if you don't have money for medicine or medical treatment? Spontaneous - don't read out. Single mention</b> Family/relative=1; Friend/neighbour=2; Employer=3; Community based organization e.g. like CARE=4; Church=5; Financial institution like bank or SACCO=6; Government=7; Savings club, tontine or ikibina=8; Money lender in community=9; Farmers association=10; No one=11; Don't know=12; Other=13	
C8a5	<b>How often have you or your household not been able to send children to school because of lack of money for transport/uniform/other school costs?</b> 1= Many times, 2= A few times, 3= Never, 4= Refused, 5=NA	
C8a6	<b>Who would you first turn to for help if you need money for school expenses? Spontaneous - don't read out. Single mention</b> Family/relative=1; Friend/neighbour=2; Employer=3; Community based organization e.g. like CARE=4; Church=5; Financial institution like bank or SACCO=6; Government=7; Savings club, tontine or ikibina=8; Money lender in community=9; Farmers association=10; No one=11; Don't know=12; Other=13	
C8a7	<b>How often have you or your household had to go without cash income and had to make a plan for daily needs?</b> 1= Many times, 2= A few times, 3= Never, 4= Refused	



C8a8	<b>Who would you first turn to for help if you don't have cash to cover your daily needs?</b> <i>Spontaneous - don't read out. Single mention</i> Family/relative=1; Friend/neighbour=2; Employer=3; Community based organization e.g. like CARE=4; Church=5; Financial institution like bank or SACCO=6; Government=7; Savings club, tontine or ikibina=8; Money lender in community=9; Farmers association=10; No one=11; Don't know=12; Other=13	
<b>C9</b>	<b>Living density</b>	
C9a	How many rooms does the dwelling have (excluding kitchen, bathroom, toilet)	
C9b	How many rooms in this dwelling are used for sleeping purposes?	
C9c	How many people usually sleep in this dwelling 5 nights a week?	
<b>C10</b>	<b>Please tell me which of the following describes your situation best? Read out; Single mention</b>	
	You own this dwelling	1
	You own this dwelling together with someone else	2
	A member/other members of the household (not you) own this dwelling	3
	You/your household rent this dwelling ,	4
	The dwelling is provided to you/your household rent free	5
	Other	6
<b>If 1 or 2 GO to C10a, If 3, 4 or 5 GO to C12</b>		
C10a	<b>How did you get the dwelling (Single mention)?</b> 1= Bought it, 2= Built it, 3= Inherited it, 4=Got it for free <b>If 3 or 4 GO to C10d</b>	
C10b	<b>Where did you get most of the money from to buy/build the house (Spontaneous; don't read. Single mention)?</b>	
	Loan from a bank	1
	Loan from a MFI or a non-umurenge SACCO	2
	Loan from an umurenge SACCO	3
	Borrowed from money lender	4
	Borrowed from savings club, tontine, ikibina	5
	Borrowed from employer	6
	Borrowed from family/friends	7
	Pension pay-out	8
	Used my/our savings	9
	Inherited money	10
	Other	11
C10c	<b>Do you owe money on the dwelling?</b> 1=Yes, 2=No, 3=Don't know	
C10d	<b>Do you have a title deed for the land/plot where your dwelling is?</b> 1=Yes, 2=No, 3=Don't know	
C10e	<b>Do you own other dwellings?</b> 1=Yes, 2=No	
<b>C11</b>	<b>Please tell me which of the following statements are true/false for you? Read out statements</b> 1=True, 2=False, 3=N/A	
C11a	You will never move and will probably spend your whole life in this dwelling	
C11b	Your dwelling is something to keep and never sell.	
C11c	If you needed a large sum of money you would sell your dwelling.	
C11d	You would use your dwelling as security when borrowing money.	
C11e	You think of your dwelling as an investment that will increase in value over time.	
C11f	Your dwelling is an asset you can use to earn money e.g. by renting it out to someone else.	
C11g	You have enlarged or plan to enlarge your dwelling.	
<b>C12</b>	<b>What is the main source of drinking water for household members? Single mention</b> 1=Piped Into Dwelling, 2=Piped To Yard/Plot, 3=Public Tap/Standpipe, 4=Tube Well Or Borehole, 5=Protected Well, 6=Unprotected Well, 7=Protected Spring, 8=Unprotected Spring, 9=Rainwater, 10=Tanker Truck, Surface Water River/Lake/Pond/, Stream/Irrigation Channel); 12=Other (specify)	
<b>C13a</b>	<b>Does your house have a toilet that is used by people who live in the household only, or do you share the toilet with people from other households?</b> 1= Own household toilet, 2= Share toilet with other households, 3= Don't have toilet facilities at all	
<b>C13b</b>	<b>What type of toilet facility is mostly used by the members of your household? Single mention</b> 1=Flush toilet, 2=Pit Latrine with constructed floor slab, 3=Pit latrine without constructed floor slab, 4=Other (specify), 5=No toilet	
<b>C14a</b>	<b>What is the main source of energy that your household uses for cooking? Single mention</b> 1=Firewood, 2=Charcoal, 3=Gas, 4=Biogaz, 5=Solar power, 6=Electricity, 7=Oil/kerosene, 8=Crop waste, 9=Animal dung, 10=Other (specify)	

<b>C14b</b>	<b>What is the main source of lighting in your home?</b> 1=Electricity from RECO RWASCO, 2=Other electricity distributors, 3=Bio Gas, 4=Generator, 5=Oil Lamp, 6=Firewood, 7=Candle, 8=Lantern (Agatadowa), 9=Solar panel, 10=Batteries+Bulb, 11=Other (specify)	
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<b>C15</b>	<b>Please tell me which of the following does you or your household own.(Asset should be in working condition)</b> <b>Read out list of assets</b>			
	Seating room chairs and tables	1	Washing machine	18
	Fridge	2	Fan	19
	Deep freezer	3	Air condition machine	20
	Radio	4	Tailoring machine	21
	Radio that plays cassettes, CD	5	Bed	22
	TV	6	Wardrobe for clothes	23
	Decoder	7	Book shelf	24
	TV antenna	8	Table	25
	Video player	9	Chairs	26
	Computer	10	Small home car	27
	Sound system	11	Van (bigger home car)	28
	Mobile phone	12	Motorcycle	29
	Fixed phone	13	Leisure Boat	30
	Cooker	14	Bicycle	31
	Hoe, Slasher, Panga, Spade,	15	Donkey/Oxen for digging	32
	Wheel Barrow	16	Digging tractor	33
	Machine used for digging	17	Grinding machine	34

<b>C16a</b>	<b>Can you please tell me in which ubudehe category your household falls?</b> 1, 2, 3, 4, 5, 6 Don't know=7	
<b>C16b</b>	<b>Has the category your household is in changed in the past 2 years?</b> 1=Yes, 2=No, Don't know=3 <b>If 2 or 3 GO TO C16d</b>	
<b>C16c</b>	<b>In what category did your household fall before it changed?</b> 1, 2, 3, 4, 5, 6 Don't know=7	
<b>C16d</b>	<b>Has your household received a direct cash transfer from VUP in the past 12 months?</b> 1=Yes, 2=No, 3=Don't know	

<b>C17</b>	<b>Technology access/Connectivity</b>		
<b>C17a</b>	<b>Which of the following do you have access to?</b> 1=Yes, have access, 2=No, don't have access	<b>C17b</b>	<b>For each item respondent has access to in C17a, ask:</b> Do you/does your household own ...? 1=Own/have, 2=Don't own/have
C17a1	Cell phone	C17b1	Cell phone
C17a2	Public phone/Landline	C17b2	Landline
C17a3	Computer	C17b3	Computer
C17a4	Internet	C17b4	Internet

## D. Access to infrastructure

**D1a. Physical access to infrastructure: How long would it take you to get to your nearest .....**

**D1b. Can you use public transport to access the ....** 1=Yes, 2=No, 3=Don't need to – it is close

		<b>D1a</b>				<b>D1b</b>
		<b>Less than 30 min</b>	<b>More than 30 min; less than an hour</b>	<b>More than an hour</b>	<b>Don't know</b>	
D1.1	Market	1	2	3	4	
D1.2	Sector office	1	2	3	4	
D1.3	Primary/secondary school	1	2	3	4	
D1.4	Health care facility	1	2	3	4	
D1.5	Taxi rank	1	2	3	4	
D1.6	Umurenge SACCO	1	2	3	4	
D1.7	Bank	1	2	3	4	

<b>D2</b>	<b>Do you agree/disagree with the following statements? Read out statements</b> 1=Agree, 2=Disagree, 3=Don't know	
D2a	Public transport is reliable	
D2b	Public transport is affordable	
D2c	Public transport is safe to use	

## E. Financial capacity

<b>E1</b>	<b>Do you agree/disagree with the following statements? Read out statements</b> 1=Agree, 2=Disagree, 3=Don't know	
E1a	You often have to spend more money than you have available	
E1b	Your current financial situation makes you worry	
E1c	At any given time you know approximately how much money you have	
E1d	You keep track of your income and expenditure	
E1e	You adjust your expenses according to your income	
E1f	You plan for your future/long-term money needs	

<b>E2a</b>	<b>If you want to open an account or use the services of a financial institution like a bank or a SACCO, what is the main thing you will take into account when you select the institution that you think would be best for YOU?</b> <b>Spontaneous response – don't read; Single mention</b>	
	Easy access to own money	1
	Convenience of access – distance; the time it takes to get there	2
	Convenience of access – opening hours; no queues	3
	How easy it is to save with them	4
	Quick access to loans	5
	Simple processes/documentation	6
	Ability to meet requirements	7
	High interest on savings	8
	Low interest on loans	9
	The type of products & services they offer – whether suitable for my needs	10
	Good service	11
	Trust in them	12
	Don't know	13
	Other, specify	14

<b>E2b</b>	<b>If you want to become a member of a group such as a VSLA or a savings group such as a tontine, what is the main thing you will take into account when you have to decide which group is best for YOU? Spontaneous response – don't read; Single mention</b>	
	Knowing the members of the group	1
	Trusting the members of the group	2
	Easy access to own money	3
	Regularity of meetings	4
	How easy it is to save with them	5
	Whether they provide loans	6
	Low membership fee/Ease of becoming a member	7
	High interest on savings	8
	Low interest on loans	9
	Whether community leaders are members/not	10
	Don't know	11
	Other, specify	12

<b>E3a</b>	<b>Can you please tell me which of the following would you trust most with your SAVINGS? READ OUT. Single mention</b> Bank=1, Umurenge SACCO=2, Non-umurenge SACCO or a MFI=3, Savings group like a VSLA, tontine, ikibina=4, (Don't know=5 – DON'T READ)	
<b>E3b</b>	<b>Can you please tell me which of the following would you trust most to borrow from? READ OUT. Single mention</b> Bank=1, Umurenge SACCO=2, Non-umurenge SACCO or a MFI=3, Savings group like a VSLA, tontine, ikibina=4, Money lender in the community=5, (Don't know=6 – DON'T READ)	
<b>E3c</b>	<b>Which of the following would you trust most if you are to send money to someone? READ OUT. Single mention</b> Bank transfer/Payment into a bank account=1, Post Office=2, Western Union/ Money gram=3, Mobile money=4, Bus or Taxi=5, Friend/family=6 (Don't know=7 – DON'T READ)	

## F. Money Management – Saving

<b>F1</b>	<b>People have different ways of describing what it means to save. Which of the following descriptions do you think most accurately defines what it means to save? Read out statements. Single mention</b>	
	<i>Putting money in a special place/account to keep it safe</i>	1
	<i>Putting money aside to stop you from spending it immediately so that you have it later when you need it</i>	2
	<i>Putting money away so that the total amount increases over time as you put more away</i>	3
	<i>Putting money aside for you to use later for a specific purpose</i>	4

<b>F2</b>	<b>Which of the following statements are true for you? Read out statements. 1=True, 2=False</b>	
F2a	<i>You go without certain things to be able to save</i>	
F2b	<i>You believe you have to save for difficult times - even if your income is low</i>	
F2c	<i>You believe it is better to save where your money is safe than to take risks to make more</i>	
F2d	<i>You save or put money aside when you can</i>	
F2e	<i>You save or put money away for a specific purpose and you do not use it for any other purpose</i>	
F2f	<i>You save or put money away for a specific purpose but you end up using it before you used it for that purpose</i>	

### F3. Still thinking about saving or putting money away:

- Please tell me which of the following do you have? 1=Yes, 2=No  
*If the respondent is NOT saving GO TO Section G*
- If respondent has savings at a BANK/MFI, ask:** With which institution(s) do you have ...?  
*Spontaneous mention – multiple mentions possible; Get institution code from code list*
- For each product the respondent has, ask:** What was the main reason for you to choose to keep your savings in .....  
*Spontaneous mention – don't read;*  
1=Convenient; 2=Easy/Simple to use; 3=Safe; 4=Good interest; 5=Quick access to savings; 6=Other
- For each product a respondent has:** Does this way of saving meet your saving needs? 1=Yes, 2=No *If YES GO TO F3e*
- What is the main reason for it not meeting your need? *Spontaneous mention – don't read*  
1=Can't get to my savings when I need it; 2=Too far to access conveniently/affordably; 3=Interest not high; 4=Other
- For each product a respondent has, ask:**
  - Have you used your .... in the past month? 1=Yes, 2=No **IF YES, Skip (ii)**
  - Have you used your ... this year? 1=Yes, 2=No

F3. Savings mechanisms		F3a	F3b	F3c	F3d	F3e	F3f(i)	F3f(ii)
F3.1	<i>Savings at a bank (USE BANK LIST)</i>							
F3.2	<i>Savings at a MFI or a non-umurenge SACCO (USE MFI list)</i>							
F3.3	<i>Savings at an umurenge SACCO</i>							
F3.4	<i>Savings in the capital/stock market (incl. Treasury bonds)</i>							
F3.5	<i>Pension fund/provident fund (incl. Caisse Sociale du Rwanda)</i>							
F3.6	<i>Savings with a group such as a co-op, VSLA, tontine, ikibina</i>							
F3.7	<i>Savings with someone in community who keeps it safe for you</i>							
F3.8	<i>Savings with someone in household/family who keeps it safe for you</i>							
F3.9	<i>Buy things to sell later as a form of savings</i>							
F3.10	<i>Savings in a secret place at home</i>							
F3.11	<i>Other savings mechanism not mentioned, specify</i>							

<b>F4</b>	<b>What are you mainly saving or putting money away for? Spontaneous mention – don't read; Single mention</b>	
	<i>Living expenses for when times are hard</i>	1
	<i>Medical expenses either planned or emergency</i>	2
	<i>An emergency other than medical</i>	3
	<i>Marriage / wedding expenses</i>	4
	<i>Funeral expenses</i>	5
	<i>Education or school fees</i>	6
	<i>Farming expenses (inputs)</i>	7
	<i>Buying livestock</i>	8
	<i>Buying equipment/appliances</i>	9
	<i>Providing something for my family after I die</i>	10
	<i>Building/Buying a house/land</i>	11
	<i>Old age</i>	12
	<i>Improving my dwelling</i>	13
	<i>Other, specify</i>	14

### G. Money Management – Borrowing

<b>G1</b>	<b>Do you agree/disagree with the following statements? Read out statements 1=Agree, 2=Disagree</b>	
G1a	<i>You avoid borrowing money if you can</i>	
G1b	<i>You prefer to save money for something rather than borrow to pay for it</i>	
G1c	<i>Without borrowing money you would not be able to pay for your children's education</i>	
G1d	<i>If you borrow money it is okay to pay it a bit later than agreed</i>	
G1e	<i>It is okay to borrow money to pay back outstanding debt</i>	
G1f	<i>Being able to borrow money when you need it is more important than the amount of money you have to pay back</i>	
G1g	<i>It is better to remain with debt than to sell something to pay it</i>	
G1h	<i>It is better to keep savings than to use it to pay a debt</i>	
G1i	<i>You would be ashamed/embarrassed to admit that you need to borrow money to meet your needs</i>	
G1j	<i>You would be ashamed/embarrassed if you were not able to pay back money that you owe</i>	

<b>G2</b>	<b>Credit Status</b>	
G2a	Did you borrow money from anybody or any institution during the past 12 months 1=Yes, 2=No	
G2b	Have you, in the past 12 months, been paying back money that you borrowed from anybody or any institution? 1=Yes, 2=No	
G2c	During the past 12 months, did you get any goods/services in advance and had to for pay it later? 1=Yes, 2=No	

<b>G3</b>	<b>If G2(a) is NO: What is the main reason why you have not borrowed money? Spontaneous mention – don't read out; Single mention</b>	
	<i>Didn't need to borrow money</i>	1
	<i>Don't want to borrow money/ Don't believe in borrowing money</i>	2
	<i>Worried would not be able to pay back the money</i>	3
	<i>Interest charged on borrowed money is too high</i>	4
	<i>Do not know where to borrow money from</i>	5
	<i>Do not know how to apply for a loan</i>	6
	<i>Do not have security or collateral</i>	7
	<i>Do not meet the requirements of financial institutions</i>	8
	<i>Not allowed to borrow money by spouse, by family or other</i>	9
	<i>Tried to borrow, but have been refused</i>	10
	<i>Other, specify</i>	11

**G4. Still thinking about borrowing money:**

a. Please tell me which of the following have you done in the past 6 months? 1=Yes, 2=No

*If respondent did not borrow from any of these sources GO TO G6*

b. **If respondent has borrowed from a bank/MFI ask:** With which institution(s)?

*Multiple mentions possible; Get institution code from code list*

c. **If respondent has borrowed from more than one source, ask:** Who did you borrow the most money from?

G4	Credit mechanism	G4a	G4b	G4c
G4.1	Borrowed money from a bank (USE BANK LIST)			1
G4.2	Borrowed money from a MFI or a non-umurenge SACCO (USE MFI LIST)			2
G4.3	Borrowed from an umurenge SACCO			3
G4.4	Got a loan from Government (Ubudehe credit scheme/VUP loan)			4
G4.5	Borrowed money from your employer			5
G4.6	Borrowed money from a group such as a co-op, VLSA, tontine, ikibina			6
G4.7	Borrowed money from a money lender in the community			7
G4.8	Borrowed money/got goods in advance from an agricultural buyer or a farmers organisation			8
G4.9	Borrowed money from a church or other community based organisation that you belong to			9
G4.10	Borrowed money from family/friends that you had to pay back			10
G4.11	Got money from family/friends that you did not have to pay back			11
G4.12	Got goods in advance from a shop/store and had to pay back later			12
G4.13	Borrowed money from a sources not mentioned, specify			13

G5	What did you borrow the most money for? Spontaneous mention – don't read out; Single mention	
	Medical expenses/medical emergencies	1
	An emergency other than medical	2
	Funeral expenses	3
	Education or school fees	4
	Living expenses when you did not have money	5
	Farming expenses such as seeds, fertiliser	6
	Buying livestock	7
	Buying farming equipment/implements	8
	Paying off other debt	9
	Buying land/dwelling	10
	Building/improving dwelling	11
	Other specify	12

G6	What is the most important thing you take into account when you choose who to borrow from when you want to borrow money? Spontaneous mention – don't read out; Single mention	
	Lowest interest rates	1
	Repayment terms that work for me	2
	Quickest access to money	3
	Ability to meet lender/loan requirements	4
	Simple application process; understandable documentation	5
	Trust	6
	Don't have a choice between lenders	7
	Don't know	8
	Other, specify	9

G7a	In the past 6 months, have you been refused a loan by a bank or SACCO or MFI? 1=Yes, 2=No, 3=Did not apply If NO GO TO H	
G7b	If YES, what was the main reason given for the refusal? Spontaneous mention – don't read out; Single mention	
	Did not have a down payment	1
	Did not have a payslip	2
	Did not have security/collateral	3
	Income was too low	4
	Had too many other debts	5
	Loan officer asked for a bribe and I didn't pay the bribe	6
	Don't know	7
	Other, specify	8

## H. Money Management – Risk & Risk Mitigation

**H1a. Did you experience any of the following during the past 6 months? Read out statements** 1=Yes, 2=No

**H1b. For those who experienced an event, ask: How did you cope financially? Spontaneous mention – don't read out; Single mention**  
1=Used savings; 2=Borrowed money; 3=Sold something to get money; 4=Cut down expenses; 5=Claimed insurance/policy pay-out; 6=Other

		H1a	H1b
H1.1	Increase in household size (more dependents relying on household income)		
H1.2	A household members who used to bring in cash for the household does not bring in cash anymore		
H1.3	Having to pay unforeseen expenses such as medical/funeral/school fees		
H1.4	Unexpected rise in prices of goods, fuel		
H1.5	Running out of money to meet household expenses		
H1.6	Harvest/livestock loss		
H1.7	Loss of an asset/dwelling/land		

H2	Please tell me which of the following you agree with? Read out statements	1=Agree, 2=Disagree
H2a	Insurance is not a way of saving because they never pay out	
H2b	Having insurance is a good way of protecting yourself for when things go wrong	
H2c	It is better to have savings to fall back on when you suffer a loss rather than to have insurance	
H2d	You understand how insurance works	
H2e	You are responsible to make arrangements for the costs associated with your funeral before you die	

**H3a. Please tell me which of the following do you have?** 1=Yes, 2=No

**H3b. If respondent does not have medical insurance or Mutuelle de Sante ask:**  
**Are you covered by someone else's insurance?** 1=Yes, 2=No, 3=Don't know

H3	Medical insurance	H3a	H3b
H3.1	Medical insurance(including RAMA, MMI) - NOT Mutuelle de Sante (MdS)		
H3.2	Mutuelle de Sante (MdS)		

H4	Do you have any of the following insurance products? 1=Yes, 2=No
H4.1	Third party insurance
H4.2	Household insurance
H4.3	Life insurance
H4.4	Credit life (insurance linked to a loan)
H4.5	Caisse Sociale du Rwanda / Rwanda Social Security Board (CSR/RSSB)
H4.6	Other insurance product not mentioned, specify

**If respondent HAS any of the insurance products in H4 GO TO H6**

H5	There are different reasons for people not having insurance. What is the main reason why YOU don't have it? Spontaneous mention – don't read out; Single mention
	Has never heard about it / Don't know about insurance
	Does not know how it works
	Does not know how to get it/where to get it
	Does not trust it or the companies
	Protects self in other ways – don't need it
	Does not want to think about bad things happening
	Cannot afford it
	They don't want to pay out when you claim
	Other specify

H6	Who will pay the costs associated with your funeral? Spontaneous mention – don't read out; Single mention
	I have to make provision before I die/Have made provision
	My family
	The community
	Don't know
	Other, specify

## I. Money Management – Remittances

<b>I1a</b>	<b>In the past 6 months, have you sent money to someone in a different place within the country?</b> 1=Yes, 2=No	
<b>I1b</b>	<b>In the past 6 months, have you sent money to someone outside the country?</b> 1=Yes, 2=No	
<b>If both I1a AND I1b = NO go to I3</b>		

**I2a. Who did you send money to in the past 6 months? Spontaneous mention – don't read out; Multiple mention possible**

**For I2b-c: If multiple beneficiaries per category, refer to the beneficiary most OFTEN sent to:**

**I2b. Where were you sending the money to when you sent the money to ....? Single mention**

1=Rural village; 2=Urban town; 3=Outside of country

**I2c. How often do you send money to .....? Single mention**

1=Weekly; 2=Fortnightly; 3=Monthly; 4=Seasonally; 5=Once a year; 6= Irregularly/occasionally

**I2d. How do you mostly send the money to .....? Spontaneous mention – don't read out; Single mention**

1=Bank transfer/Pay into bank account; 2=Post Office/ Western Union/ Money gram; 3=Cell phone top-up; 4=Mobile money; 5=Bus or Taxi; 6=Friends or family; 7=Other

**I2e. How much did you send the last time you sent money to ....? Single mention**

	<b>I2a</b>	<b>I2a</b>	<b>I2b</b>	<b>I2c</b>	<b>I2d</b>	<b>I2e</b>
I2.1	Spouse	1				
I2.2	Child	2				
I2.3	Parent	3				
I2.4	Other family member	4				
I2.5	Friend	5				
I2.6	Supplier/ Business	6				
I2.7	Someone you borrowed from	7				
I2.8	School, college or university	8				
I2.9	Other specify	9				

<b>I3a</b>	<b>In the past 6 months, have you received money from someone in a different place within the country?</b> 1=Yes, 2=No	
<b>I3b</b>	<b>In the past 6 months, have you received money from someone outside the country?</b> 1=Yes, 2=No	
<b>If both I3a AND I3b =NO go to Section J</b>		

**I4a. From whom did you receive money in the past 6 months? Spontaneous mention – don't read out; Multiple mention possible**

**For I4b-c: If multiple senders per category, refer to the sender most OFTEN received from:**

**I4b. Where did .... send the money from? Single mention**

1=Rural village; 2=Urban town; 3=Outside of country

**I4c. How often did ... send you money? Single mention**

1=Weekly; 2=Fortnightly; 3=Monthly; 4=Seasonally; 5=Once a year; 6= Irregularly/occasionally

**I4d. How does ... mostly send the money to you? Spontaneous mention – don't read out; Single mention**

1=Bank transfer/Pay into bank account; 2=Post Office/ Western Union/ Money gram; 3=Cell phone top-up; 4=Mobile money; 5=Bus or Taxi; 6=Friends or family; 7=Other

**I4e. What did you use most of the money ... sent you for? Single mention**

1=Bought food/clothes; 2=Paid school fees; 3=Paid medical fees/medicine; 4=Paid funeral expenses; 5=Other, specify

	<b>I4a.</b>	<b>I4a</b>	<b>I4b</b>	<b>I4c</b>	<b>I4d</b>	<b>I4e</b>
I4.1	Spouse	1				
I4.2	Child	2				
I4.3	Parent	3				
I4.4	Other family member	4				
I4.5	Friend	5				
I4.6	Customer	6				
I4.7	Someone you lent money to	7				
I4a8	Other specify	8				



<b>I5a</b>	<b>Have you ever sent or received money using a mobile phone? Multiple response possible</b> 1=Yes - received, 2=Yes- sent, 3=No <b>If NO GO TO I6a</b>	1	2	3
<b>I5b</b>	<b>In the past 6 months have you sent/received money using a mobile phone? Multiple response possible</b> 1=Yes - received, 2=Yes- sent, 3=No <b>GO TO Section J</b>	1	2	3
<b>I6a</b>	<b>Would you use a mobile phone to send money? 1=Yes, 2=No, 3=Don't know If YES GO TO Section J</b>			
<b>I6b</b>	<b>What is the most important reason why you would not use a mobile phone to send money?</b> <b>Spontaneous – don't read out; Single mention</b> 1=Don't trust; 2=It is complicated; 3=Agents too far; 4=Too expensive; 5=Don't have access to a mobile phone; 6=Prefer other ways of sending/receiving money; 7=Don't have the documents to register; 8=Doesn't meet my needs; 9=Other			

## J. Formal Products

<b>J1</b>	<b>Please tell me which of the following statements are true? Read out statements 1=True, 2=False, 3=Don't know</b>
J1a	If you are not employed you cannot open a bank account
J1b	Having a bank account makes it easier to get credit
J1c	You can easily live your life without a bank account
J1d	Most services from banks are also offered elsewhere
J1e	You trust banks with your money
J1f	Banking is for people like me
J1g	Banks treat people with respect

### J2. Bank product penetration

- Please tell me which of the following do you have? 1=Yes, 2=No  
**If respondent does not have any of these products go to J3a**
- For each product the respondent has, ask: At which bank do you have a .....?**  
**Spontaneous mention – multiple mentions possible; Get institution code from code list**
- For each product a respondent has, ask:**
  - Have you used your .... in the past month? 1=Yes, 2=No **If respondent used .... in the past month do not ask (ii)**
  - Have you used your ... this year? 1=Yes, 2=No
- For each product the respondent has but did not use this year: Why did you not use your ....?**  
**Spontaneous mention – don't read. Single mention per product**  
1=Didn't need to use it; 2=Doesn't meet my needs; 3=Too expensive; 4=Too complicated; 5=Service is not good; 6=Other

<b>J2</b>	<b>Product (USE BANK LIST)</b>	<b>J2a</b>	<b>J2b</b>	<b>J2ci</b>	<b>J2cii</b>	<b>J2d</b>
J2.1	Savings account at a bank – can deposit and withdraw as you wish					
J2.2	Savings account at a bank with rules about deposits and withdrawals					
J2.3	Loan with a bank					
J2.4	ATM/Debit card					
J2.5	Current or Cheque account					
J2.6	Overdraft facilities					
J2.7	Credit Card					
J2.8	Foreign bank account (such as in Uganda, Kenya, Belgium, France etc.)					
J2.9	Any other bank product not mentioned, specify					

<b>J3a</b>	<b>Do you have a bank account in your name? USE BANK LIST</b> <b>(It could also be a joint/group account which is partly yours) 1=Yes, 2=No If NO GO TO J4</b>
<b>J3b</b>	<b>Can you use/access your bank account when you want to? 1=Yes, 2=No If YES GO TO J3d</b>
<b>J3c</b>	<b>What is the main reason you are not able to use/access your account when you want to?</b> <b>Spontaneous mention – don't read out; Single mention</b> 1=Not always open/available; 2=Too far; 3=It takes too much time; 4=Too expensive; 5=Need permission from someone to use it; 6=Other, specify
<b>J3d</b>	<b>For approximately how long have you had a bank account?</b> 1=Less than a year; 2=1-3 years; 3=3-5 years; 4=Longer than 5 years; 5=Don't remember
<b>J3e</b>	<b>What was the main reason you opened a bank account? Spontaneous mention – don't read out; Single mention</b> 1=To process salary/wages; 2=To save; 3=To get credit/loan; 4=To keep money safe; 5=To make payments/receive money; 6=Other, specify
<b>J3f</b>	<b>Thinking about the time when you first opened a bank account, did you have an account with a SACCO or MFI?</b> 1=Yes, 2=No <b>IF NO GO TO J3h</b>
<b>J3g</b>	<b>Did you close any of these when you opened your bank account? 1=Yes, 2=No</b>

<b>J3h</b>	<b>Still thinking about the time when you first opened a bank account, were you member of a group such as a savings and loan group or a savings club/tontine?</b> 1=Yes, 2=No <b>IF NO GO TO J4a</b>	
<b>J3i</b>	<b>Did you give up your membership with any of these when you opened your bank account?</b> 1=Yes, 2=No	
<b>J4a</b>	<b>Are you using someone else's bank account?</b> 1=Yes, 2=No <b>IF NO, GO to J5</b>	
<b>J4b</b>	<b>Can you use/access this bank account when you want to?</b> 1=Yes, 2=No <b>IF YES GO TO J4d</b>	
<b>J4c</b>	<b>What is the main reason you are not able to use/access your account when you want to?</b> <i>Spontaneous mention – don't read out; Single mention</i> 1=Not always open/available; 2=Too far; 3=Too expensive; 4=Need owner's permission before I can use it; 5=Cannot use it when the owner of the account is not around; 6=Other, specify	
<b>J4d</b>	<b>Whose account(s) are you using? Spontaneous mention – don't read out; Multiple mention possible</b>	
	Your spouse / partner's account	1
	Your child's account	2
	Your parent's account	3
	Account of another family member	4
	Account of a neighbour/friend	5
	Account of savings club	6
	Account of a community organisation/church	7
	Other specify	8
<b>J4e</b>	<b>What is the main reason why you are using someone else's account? Why don't you open your own account?</b> <i>Spontaneous mention – don't read out; Single mention</i>	
	I don't meet the requirements to open an account/I'm too young – I am not 18 yet	1
	I don't have the right documentation	2
	We share the costs/it is cheaper to have one account	3
	I am not allowed to have my own account – by spouse, household member	4
	I don't know how to open an account	5
	Other specify	6

#### J5. Transactions

- a. Which of the following have you done this year? **Read out** 1=Yes, 2=No
- b. **Ask those who DID conduct a transaction this year:** Did you do this in the bank/at the ATM/both?  
1=Bank; 2=ATM; 3=Both

<b>J5</b>	<b>Transaction</b>	<b>J5a</b>	<b>J5b</b>		
J5.1	Cash a cheque				
J5.2	Deposit cash into a bank account				
J5.3	Deposit a cheque into a bank account				
J5.4	Cash withdrawal from a bank account		1	2	3
J5.5	Paid people/bills using a cheque				
J5.6	Money transfers between your own bank accounts				
J5.7	Money transfer to another person's bank account				
J5.8	Received money from someone into a bank account				
J5.9	Get a bank statement				
J5.10	Internet banking transaction				
J5.11	Mobile banking transaction				

<b>J6</b>	<b>Ask those without bank accounts (J2a NOT = 1 and J3a=NO):</b> <b>What is the main reason why do you not have a bank account? Spontaneous mention – don't read out; Single mention</b>	
	Does not need it - Insufficient or no money coming in to justify it	1
	Cannot maintain the minimum balance	2
	Bank service charges are too high	3
	Banks are too far away	4
	Banking hours are not convenient	5
	Does not have the documentation required	6
	Does not know how to apply	7
	Does not understand benefits from having a bank account	8
	Does not trust banks	9
	Banks do not provide the products or services I need	10
	Can get services needed elsewhere in the community	11
	Need permission of someone else to open it	12
	Other specify	13

J7a	Do you have a MFI account? USE MFI LIST 1=Yes, 2=No If YES, GO to J7b, if NO GO to J8	
J7b1	Have you used your MFI account in the past month? 1=Yes, 2=No If YES GO TO J7d	
J7b2	Have you used your MFI account this year? 1=Yes, 2=No If YES GO TO J7d	
J7c	What is the main reason for you not using your MFI account? Spontaneous mention – don't read out; Single mention 1=Didn't need to use it; 2=Doesn't meet my needs; 3=Too expensive; 4=Too complicated; 5=Service is not good; 6=Other, specify	
J7d	What do you usually use your MFI account for? Read out; Spontaneous mention – don't read out; Multiple mention possible	
	Savings	1
	Credit	2
	Other, specify	3
J7e	For approximately how long have you had an account with a MFI? Read out 1=Less than a year; 2=1-3 years; 3=3-5 years; 4=Longer than 5 years; 5=Don't remember	
J7f	Why did you mainly open a MFI account? Spontaneous mention – don't read out; Single mention 1=To save; 2=To get credit/loan; 3=Other, specify	
J7g	Thinking about the time when you first opened a MFI account, did you have an account with a bank or a SACCO? 1=Yes, 2=No IF NO GO TO J7i	
J7h	Did you close any of these when you opened your MFI account? 1=Yes, 2=No	
J7i	Still thinking about the time when you first opened a MFI account, were you member of a group such as a savings and loan group or a savings club/tontine? 1=Yes, 2=No IF NO GO TO J8a	
J7j	Did you give up your membership with any of these when you opened your MFI account? 1=Yes, 2=No	
J8a	Are you a member of an umurenge SACCO/have an umurenge SACCO account? 1=Yes, 2=No If NO GO to Section K	
J8b1	Have you used your umurenge SACCO account in the past month? 1=Yes, 2=No If YES GO TO J8d	
J8b2	Have you used your umurenge SACCO account this year? 1=Yes, 2=No If YES GO TO J7d	
J8c	What is the main reason for you not using your Umurenge SACCO account? Single mention 1=Didn't need to use it; 2=Doesn't meet my needs; 3=Too expensive; 4=Too complicated; 5=Service is not good; 6=Other, specify	
J8d	What do you usually use your umurenge SACCO account for? Spontaneous mention – don't read out; Multiple mention possible	
	Savings	1
	Credit	2
	Other, specify	3
J8e	For approximately how long have you been a member of an umurenge SACCO? 1=Less than a year; 2=1-3 years; 3=3-5 years; 4=Longer than 5 years; 5=Don't remember	
J8f	Why did you mainly become a member? Spontaneous mention – don't read out; Single mention 1=I was obliged/required to ; 2=To save; 3=To get credit/loan; 4=To keep money safe; 5=Other, specify	
J8g	Thinking about the time when you first became a member/opened your umurenge SACCO account, did you have an account with a bank or a MFI? 1=Yes, 2=No IF NO GO TO J8i	
J8h	Did you close any of these when you opened your umurenge SACCO account/became a member? 1=Yes, 2=No	
J8i	Still thinking about the time when you first became a member/opened your umurenge SACCO account, were you member of a group such as a savings and loan group or a savings club/tontine? 1=Yes, 2=No IF NO GO TO K1a	
J8hj	Did you give up your membership with any of these when you became a member/opened your umurenge SACCO account? 1=Yes, 2=No	

## K. Informal Products

K1a	Do you belong to a savings groups such as a VSLA, SILC, tontine, ikibina? 1=Yes, 2=No IF NO GO TO K4a	
K1b	Which of the following do you do with the group? Read out Multiple mention possible	
	Save with the group	1
	Borrow from the group	2
	Other, specify	3
K1c	For approximately how long have you been a member of such a group? Read out 1=Less than a year; 2=1-3 years; 3=3-5 years; 4=Longer than 5 years; 5=Don't remember	

<b>K2</b>	<b>Which of the following does this group(s)/club(s) provide? Read each statement</b> 1=Yes, 2=No, 3=Don't know	
K2a	Lend money out to members when they need the money	
K2b	Lend out money to non-members when they want to borrow	
K2c	Give collected money to one member every month	
K2d	Keep the collected money for members and members can withdraw this money when they need it	
K2e	Keep the collected money for members and give to members after a certain period of time	
K2f	Buy assets as a group	
K2g	Buy assets for individual members	
K2h	Raise or save money for funerals for group members	
K2i	Raise or save money for other emergencies for group members	
K2j	Act as guarantor when members want to borrow money somewhere else	

<b>K3a</b>	<b>What is the main reason why you belong to such a group/club? Spontaneous mention – don't read out; Single mention</b>	
	Inherited the position from parents	1
	It is compulsory for people in tribe or village	2
	To socialise or meet friends	3
	They give financial advice	4
	Can turn to them when in financial need	5
	Can get money easily when needed	6
	I trust and know them	7
	To borrow money	8
	To save money	9
	Other, specify	10

<b>K3b</b>	<b>Do you agree/disagree with the following statements? Read statements</b> 1=Agree, 2=Disagree, 3=Don't know	
K3b1	I have more discipline in saving with a group than any other way because if I don't save regularly I will be embarrassed in front of my friends/neighbours	
K3b2	I have more discipline paying back money borrowed from a group than with paying back a loan from a financial institution because if I don't pay back I will be embarrassed in front of my friends/neighbours	

<b>K4a</b>	<b>Are you a member of any other group or organisation? 1=Yes, 2=No If NO go to Section L</b>	
<b>K4b</b>	<b>What type of group/organisation? Spontaneous mention – don't read out; Multiple mention possible</b>	
	Business organisation	1
	Farmer's association	2
	Market/traders association	3
	Cooperative	4
	Church / religious group	5
	Women's / men's group	6
	Other specify	7

## L. Farming

<b>L1</b>	<b>Please tell me which of the following statements best describes your household situation? Read out Single mention</b> 1=Your household is only involved in farming and no-one in the household has any other work, 2=Your household is involved in farming AND other work, 3=Your household is NOT involved in farming at all ----- <b>If L1 =3 GO to Section M</b>	
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<b>L2</b>	<b>Please tell me which of the following your household is involved in? Read out Multiple mention possible</b>	
	Cattle	1
	Goats, sheep, pigs, etc.	2
	Other livestock such as chickens, rabbits, etc.	3
	Cash crops – tea, coffee, pyrethrum	4
	Fruit – such as bananas, pineapple, avocado, pepper, papaya, passion fruit	5
	Vegetables – tomatoes, carrots, onions, cabbages, etc.	6
	Staples such as grains or roots – e.g. plantains, potatoes, sweet potatoes, rice, sorghum, casava, maize, barley, wheat	7
	Beans, peas, ground nuts	8
	Other (SPECIFY)	9

**If NO LIVESTOCK GO TO L4**

<b>L3</b>	<b>Thinking of your livestock, please tell me if the following statements are true/false for you? <i>Read statements</i></b> <i>1=True, 2=False, 3= Don't know</i>	
L3a	Your household will never sell your livestock	
L3b	Your household will use your livestock as security when you need to borrow money	
L3c	Your household regards your livestock as a form of savings	
L3d	Your household will sell some of your livestock to get cash when you need cash	
<b>L4</b>	<b>Do you/your household farm mostly for consumption or selling? <i>1=Consumption, 2=Selling, 3=Don't know</i></b>	
<b>L5</b>	<b>For your farming activities, you need things like farming equipment, seed or fertiliser, pesticides, food and medicine for livestock, where do you mainly get the money for it? Or if you don't buy it, how do you mainly get it?</b> <b><i>Spontaneous mention- don't read; Single mention</i></b>	
L5a	Don't have to buy because manage with what have already (keeping seed from own harvest, etc)	1
L5b	Use money from other sources of income	2
L5c	Use savings	3
L5d	Sell crops/livestock/other produce to get money	4
L5e	Get money in advance from buyer to whom we sell our crop/livestock	5
L5f	Get from a supplier or distributor and pay later	6
L5g	Loan from a bank	7
L5h	Loan from an umurenge SACCO	8
L5i	Loan from a non-umurenge SACCO or a MFI	9
L5j	Loan from a farmers association	10
L5k	Borrow from a community/savings group where we save and lend to each other	11
L5l	Borrow from a money lender in the community	12
L5m	Borrow from friends and/or family	13
L5n	Don't buy inputs - get inputs in exchange for goods or labour	14
L5o	Other, specify	15
L5p	Don't know	16

## M. Income and Expenditure

**M1a. How do you usually pay for food/groceries? *Spontaneous mention - don't read; Single mention.***

**M1b. How do you usually pay for clothes? *Spontaneous mention - don't read; Single mention.***

**M1c. How would you pay for larger goods/appliances such as a radio, TV, furniture or a bicycle?**

*Spontaneous mention - don't read; Single mention.*

	<b>M1a. Food/groceries</b>	<b>M1b. Clothes</b>	<b>M1c. Larger goods/appliances</b>
Cash	1	1	1
Borrow money and pay cash	2	2	2
Get from store and pay later	3	3	3
Use credit card	4	4	4
Use debit card	5	5	5
Use cheque	6	6	6
Exchange farming produce/goods to get ....	7	7	7
Other, specify	8	8	8

**M2a. Please tell me about all the different ways you get/make money to pay for your expenses or do the things that you do?**

*Spontaneous mention- don't read; Multiple mention possible*

**M2b. For each money source ask: How often do you usually receive the money you get from .....? *Single mention***

*1=Daily; 2=Weekly; 3=Fortnightly; 4=Monthly; 5=Annually; 6=Seasonally; 7=Occasionally; 8=Upon completion of job*

**M2c. For each money source ask: How do you receive the money you get from .....? *Multiple mention possible***

*1=Cash in hand; 2=Cheque; 3=Into bank account; 4=Western Union; 5=Other*

**M2d. Only for those with more than one source of money: On which of these do you rely most to make a living? *Single mention***

		M2a	M2b	M2c		M2d
M2.1	Salary/wages from Government	1				1
M2.2	Salary/wages from a business/company	2				2
M2.3	Salary/wages from a farmer	3				3
M2.4	Salary/wages from an individual	4				4
M2.5	Self-employed (have own business)	5				5
M2.6	Money from farming (crops and/or livestock; by-products from livestock)	6				6
M2.7	Money from fishing	7				7
M2.8	Rental income	8				8
M2.9	Private pension	9				9
M2.10	Government pension	10				10
M2.11	Government/state grant/VUP grant/VUP cash transfer	11				11
M2.12	Maintenance money	12				12
M2.13	Remittances (money from friends/family)	13				13
M2.14	Get money from household member	14				14
M2.15	Household member pays my expenses	15				15
M2.16	Piece work	16				16
M2.17	VUP public works	17				17
M2.18	Make goods to sell	18				18
M2.19	Sell something I grow	19				19
M2.20	Sell something I collect from nature (thatch/wood/charcoal)	20				20
M2.21	Other specify	21				21

<b>M2e</b>	<b>Ask only those who get money from salaries/wages:</b> Do you work full-time/part time? <i>1=Full-time, 2=Part-time</i>	
<b>M2f</b>	<b>Ask only those who get money from household members/have household members paying their expenses:</b> You said that you got money from a household member/someone in the household pays your expenses, who gives you money/pay your expenses? <b>Multiple mention possible</b>	
M2f1	Spouse	1
M2f2	Parent	2
M2f3	Child	3
M2f4	Other relative	4
M2f5	Other	5

<b>M3a</b>	<b>Do you have money of your own that you can do with as you wish?</b>		
	Yes	1	<b>Go to M4</b>
	No	2	<b>Go to M3b</b>
	Refused	3	<b>Go to M4</b>
<b>M3b</b>	<b>If NO , why not? Spontaneous mention – don't read; Multiple mention possible</b>		
	Money goes into household expenses		1
	Have to give my money to household member/family member		2
	Don't have an income		3
	Other specify		4

<b>M4</b>	<b>Ask only those who get a cash income:</b> I would like to get an idea of the total amount of money you get. In other words the total amount of money you get from .... and ... and ... together. Would it be easier for you to give me an estimate of this for a month or for a year? <i>1=Month, 2=Year, 3=Don't know the amount for either, 4= Refused</i>	
<b>If M4=1 GO TO M4a; If M4=2 GO TO M4b; If M4= 3 or 4 GO TO M5</b>		

<b>M4a</b>	<b>What is your personal total monthly income? Please include income from .... Single mention</b>	
	1,500 Rwf or less	1
	1,501-3,000 Rwf	2
	3,001 – 5,000 Rwf	3
	5,001-7,000 Rwf	4
	7,001-10,000 Rwf	5
	10,001-15,000 Rwf	6
	15,001-20,000 Rwf	7
	20,001-25,000 Rwf	8
	25,001-30,000 Rwf	9
	30,001-40,000 Rwf	10
	40,001-50,000 Rwf	11
	50,001-100,000 Rwf	12
	More than 100,000 Rwf	13
<b>M4b</b>	<b>What is your personal total annual income? Please include income from .... Single mention</b>	
	12,000 Rwf or less	1
	12,001-15,000 Rwf	2
	15,001-17,000 Rwf	3
	17,001-20,000 Rwf	4
	20,001-30,000 Rwf	5
	30,001-40,000 Rwf	6
	40,001-50,000 Rwf	7
	50,001-80,000 Rwf	8
	80,000 – 100,000 Rwf	9
	100,001 – 150,000 Rwf	10
	150,001 – 200,000 Rwf	11
	200,001 – 250,000 Rwf	12
	250,001 – 300,000 Rwf	13
More than 300,000 Rwf	14	

**M5. The following are big events in the lives of most people. How would you mainly cover the costs for these if you need to pay for? Spontaneous – do not read; Single mention**

1= using savings that I put aside for this purpose; 2=general savings; 3=rely of family & friends to help cover costs;

4=rely on community to help cover costs; 5=sell something to cover the cost; 6=have a policy that will cover it;

7=borrow from bank; 8= borrow from a SACCO/MFI 9=borrow from money lender in community; 10=borrow from family/friend; 11=Other,

12=Don't know/Haven't thought about it

M5	Event	M5
M5a	Wedding	
M5b	Funeral	
M5c	Medical emergency	
M5d	Children's education	

**N. General**

N1	Which of the following do you agree with? 1=Agree, 2=Disagree
N1a	You have many dreams and ambitions you are working towards
N1b	You have people in the community that you can turn to for help if you need to
N1c	You would rather turn to strangers than people in the community if you need financial help
N1d	You want to leave your children well taken care of
N1e	It is the responsibility of government to take care of those who struggle to make a living
N1f	People in your community have a strong sense of involvement in the community – people rely on each other for support
N1g	You believe that technology improves the quality of one's life and you are willing to use it

<b>N2a</b>	<b>Unfortunately I now have to ask you a few sensitive questions about your household</b> <b>Would you please tell me, in the past year did any member(s) of your household pass away? 1=Yes, 2=No</b> <i>If YES GO to N2b, if NO Close interview</i>	
<b>N2b</b>	<b>How old was this person/were these persons? Multiple mention possible</b>	
	<i>16 years or older</i>	<i>1</i>
	<i>6-15 years</i>	<i>2</i>
	<i>5 years and younger</i>	<i>3</i>
<b>N2c</b>	<b>Did you lose the main income earner of the household? 1=Yes, 2=No</b>	







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