

**Scottish Government International Development Programme
End-Year Report**

Notes for Completion:

- Please note, with the exception of the cover page, this report will be published.
- To ensure compliance with GDPR, refrain from using any personal or identifying information unless you have obtained consent from the data subject and are content for this to be made public.
- Answer all questions in the template provided, noting the word limits.
- Include all relevant information in the reporting template – hyperlinks and annexes will not be accepted as part of the report.
- Ensure answers are clear, concise and in plain English. Explain acronyms and avoid using jargon.
- Please ensure this end-year report covers the full reporting period (12 months).

<p>Supporting Documentation</p> <p><i>Check box to confirm key documents have been submitted with this report</i></p>	<p>Logical Framework, which reflects any changes in this reporting period.</p> <p>Budget</p> <p>Case study</p> <p>Risk register</p>	<p><input checked="" type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input checked="" type="checkbox"/></p>
<p>As the project manager responsible for the completion of this report, I hereby confirm the information included is accurate and complies with the notes for completion.</p>		
<p>Scotland-based Project Manager:</p> <p>[REDACTED]</p>	<p>Signature:</p> <p>[REDACTED]</p>	

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1. General project information		
1.1	Project reference Number	RWA4
1.2	Name of organisation	Opportunity International UK
1.3	Lead partner(s) organisation	
1.4	Project title	Improving Livelihoods in Rural Rwanda
1.5	Reporting period	From: 01/04/2019 To: 31/03/2020
1.6	Reporting year	3
1.7	Project start date	October 2017
1.8	Project end date	March 2022
1.9	Total project budget*	GBP 1,628,775
1.10	Total funding from Scottish Government*	GBP 1,200,000
1.11	Provide a brief description of the project's aims, highlighting which of the Sustainable Development Goals (SDGs) your project is working towards? (200 words)	The project will reduce poverty and inequality in rural areas of Southern and Western Rwanda by increasing the availability of financial services and training to previously excluded populations, particularly women (at least 60% of clients). Contributing to the achievement of Global Goals 1: End Poverty, 5: Gender Equality and 8: Decent Work and Economic Growth, by boosting productivity, creating jobs and wealth, building assets and reducing vulnerability. Beneficiaries will be empowered to work their way out of poverty through their own efforts. Opportunity will collaborate with Urwego, Hope International and CARE combining knowledge, skills and experience to achieve the project outcomes. By applying a private sector approach to enhancing rural financing, this project can deliver on-going benefits on a large scale. 48% of the budget is for rotating loan portfolio. Urwego's average repayment rate is 90%, which shows how well they are recovering loans and means that loan funds can be used again and again. Mobilising savings will also enable Urwego to finance an expanding loan portfolio and maintain financial self-sufficiency.
2. Project progress and results		
<i>Please use this section to give an update on the progress the project has made during this reporting period.</i>		

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2.1	<p>Provide an update on the progress your project has made over the past 12 months. Use this space to update us on what has gone well and any challenges you have experienced, detailing how you have overcome these. (Max 500 words)</p>
	<p>With one single exception, the project in its third year has met or (often substantially) exceeded targets, and yet managed to turn in modest financial savings. Rather than dwelling on the numbers, details of which are available in the LogFrame report, we would like to capture the essence of how the project is advancing by borrowing language from the 2019 Mid-Term Evaluation: “It is clear from the evidence gathered during this MTR that the Strengthening Livelihoods in Rural Rwanda project is having significant positive impact on the lives and livelihoods of the main beneficiary groups, smallholder farmers and VSLA’s. Beneficiaries have gained confidence in working with financial services and, through training, now are able to make informed decisions about drafting proposals, the proper use of loans and the importance of savings. The project activities have had a particular impact on women and, despite initial challenges, is now meeting its targets in terms of loans disbursed and training provided to women. This has led to increased independence for women who now report having savings of their own which helps them to buy whatever they want without asking husbands for money. There are reports that men and women are working together to solve home issues. Beneficiaries report being able to pay health insurance and school fees easily, and savings are being banked. Some use profits to buy livestock and some have rebuilt their houses due to loans and profits from increased crop production, or from loans to microentrepreneurs for business development. All VSLA and Farmers cooperatives groups reported increased employment. Overwhelmingly, the employment is temporary and seasonal since most employment opportunities are created in the agriculture sector. This is arguably not necessarily enough to lift people out of poverty (the hired workers), but it does allow for farmers and business owners to get ahead with their livelihoods. Universally, it was agreed that Good Agricultural Practices training has resulted in better farming practices, which in turn has resulted in better harvests and improved incomes for farmers. However, many respondents struggled to separate HLI training from GAP or Financial Literacy Training. The ways clients access financial services have changed as a result of project activities. Both beneficiary and Urwego Bank staff respondents cite an increase in use of mobile money, mobile banking, mHose, etc. Project targets for beneficiaries/clients opening new savings accounts has been met and exceeded. However, not all beneficiaries interviewed for this MTR have savings accounts with Urwego Bank. It has been noted from the beginning of the project, that meeting targets for loans to VSLA’s is a struggle. Urwego HQ staff are taking proactive steps to tackle this issue, and some were confident that a recent drive to train and recruit VSLA’s as clients would pay dividends in terms of numbers applying for loans over the coming months. In general, the improved response from UB in providing loans on time has resulted in an increase in farm production compared to the last year. Moreover, project activities have raised awareness among beneficiaries on how to access financial services.”</p>
2.2	<p>Has the focus or plans for delivery changed significantly during the last year? Please highlight what issues or challenges prompted this change and how you</p>

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anticipate any changes in focus will impact on the previously agreed outcomes
(Max 500 words)

In order to address the persistent difficulties in reaching the youth target group at the intended level, OIUK and CARE Rwanda have developed a proposal for a parallel pilot project, which was discussed with and approved by the Scottish Government. Financed 50% through existing and projected savings from RWA and 50%, during the period April 2020 – October 2021 the project aims at the creation of 50 savings and loans associations for a total of 1,000 young people (YSLAs) in the Nyanza (Southern Province) and Rubavu (Western Province) districts of Rwanda. Once the groups will be formed and properly functioning, the young micro-entrepreneurs will be able to access the larger project's loan portfolio through Urwego, as well as other financial services and a range of trainings.

With funds channelled and administered by OIUK, CARE will deliver the following activities in the field:

- During the first year, the activity aims at the creation of 5 YSLAs in Nyanza district and 5 in Rubavu using existing CARE Adult Village Agents. Each of these groups will be composed of between 25 and 30 micro-entrepreneurs aged 18-34.
- From within the 10 YSLAs thus created, 10 youths will be selected and trained to become Youth Village Agents (YVA).
- Following the established procedure, during the second year the new YVAs will identify and select young members of the community, mobilise them into YSLAs and train them in the savings group methodology.
- Over the course of the project, once the groups have started operating and savings begin to accumulate, supervision and additional training will be provided on an ongoing basis.
- During the second year, when groups will have demonstrated proper functioning and are deemed worthy of credit, access to formal financial services (loans and savings) will be provided by Urwego Bank to individual members.
- Anybody receiving a loan will also receive Comprehensive Life Skills training as well as financial inclusion training.
- The second year is the phase in which this somewhat independent activity merges with the existing OIUK project – the newly created YSLAs then simply become additional savings groups accessing credit and training (the loan portfolio and second-year training costs will therefore be covered by the project).

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	<ul style="list-style-type: none"> • At the end of the 18 months period, it is expected that 1,000 young people will have been enrolled in the project and 500 will have accessed micro-credit. <p>It is understood by all partners that, also in consideration of a late start of operations because of the pandemic-related lockdown, some of the target of the project might be aspirational. This remain a highly innovative project, trying to address a well-known problem in microfinance (youth inclusion) and to learn useful lessons along the way.</p>
2.3	<p>Taking into consideration what you have achieved during the last 12 months, along with any challenges you have experienced, please highlight to us what lessons you have learned, and how these will be applied in the project in the future. (Max 500 words)</p> <p>The November 2019 MTR was a crucial exercise in a different domain as well. Since the beginning, the project's LogFrame has presented a particular challenge in terms of Outcome Indicator 1 ("Percentage of households that achieve with average annual household income improvements of at least 30%"). As already discussed in a series of communications with the Scottish Government, it is a well-known fact in international development that measuring household income in quantitative terms is an extremely difficult exercise. In the absence of a realistically applicable methodology to do so within the framework and scope of the project, OIUK gave mandate to investigate income variations in qualitative terms, by simply asking beneficiaries (who are known to be able to tell if they are better or worse off than a year before, or about the same, with considerable accuracy). When possible, these general responses were further investigated exploring any additional expenditure as a result of improved financial conditions.</p> <p>Qualitative data, as well as free-form responses from some of the respondents (please see pages 15-16 of the MTR Report) paint a decidedly positive picture in terms of the project making a positive impact on household income. The Report says "The MTR attempted to assess if clients of UB note any direct link between any increase in wealth and the project activities (access to credit, access to savings and digital financial services). FGD respondents cited a range of changes to their lives as a result of project activities. The top six changes cited by respondents were: enough food for the family (35 respondents); purchase of livestock (33 respondents); affording school fees and materials for children (27 respondents); affording health insurance (25 respondents); purchase of land (22 respondents); building a house (17 respondents)."</p> <p>Besides the beneficiaries' own perceptions, the MTR explored whether there is evidence of a direct link between the project activities and household wealth from the perspective of other stakeholders. Such direct link was strongly apparent to a number of key informants at District level (eg: "Generally, there many changes we saw in the lives of the members, we have improved our wealth individually and for our family as well, there are some foods would not have able to afford at household level which are expensive on the market but now we can buy them for house due to Urwego bank activities... on the side of our members... those who use the loan in agriculture, you find that their production has been increased compared to the last</p>

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year. Moreover, these activities have opened our minds to access financial services in order to improve our wealth individually and even at household level. But also, since last year Urwego bank helped us to get loans easily, because before we used to go a long way to the office to get a loan or pay it off but now, they send agents and come here and we make transactions at our place". (VSLA Leader (M), Rusizi)

3. Partnerships and collaboration

This section allows you to discuss how partnership working is progressing on the project, as well as wider collaboration and sharing of learning.

3.1 Provide an update on how partnership working has gone in the past 12 months. Let us know about any highlights, challenges or changes to roles and responsibilities. (Max 350 words)

Urwego Bank continues to prove a professional, reliable and effective partner in Rwanda. Opportunity International's Scottish Project Manager enjoys an excellent relationship with his two counterparts in Kigali (an overall Project Manager and a Finance Officer).

Contacts with CARE Rwanda have significantly intensified during the reporting period, particularly around the development of the "YSLA" project proposal. OIUK Scottish Project Manager visited Rwanda in January 2020 met personally with CARE officials finalise planning for the new "YSLA" project.

Regular in-country coordination and information sharing meetings continue to take place in Kigali among Scottish Government grant holders. Monthly meetings are held with the participation of Urwego Bank, Challenges Worldwide, Water Aid and Tearfund amongst others.

3.2 Have any Scotland-based staff visited the project in the past 12 months? Give details including key activities and outputs of these visits.

[REDACTED] Scottish PM

Date of visit	Key achievements / outputs of visit	Follow-up actions
January 2020	1.Detailed, in-person review of the current expenditure of the project with Urwego PM and finance officer	Continued monitoring
	2. Meet with CARE representatives to finalise agreement on the Youth Savings and Loans Associations (YSLA) project	Budget and MoU finalised; MoU signed April 2020; activities to start immediately at the end of lockdown

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	4. Facilitate the visit of SG delegation to one of the project locations	
3.3	Please tell us about any dissemination and learning throughout this reporting period. How have you promoted effective learning across the project? Please explain what processes you have used both internally and externally to share learning from the project so far, and how this learning is being used. (Max 500 words)	
	<p>In 2019, a research project was carried out as a collaboration between Glasgow Caledonian University (GCU) and the University of Rwanda. It received funding from Opportunity International UK and from GCU via the Global Challenges Research Fund (GCRF). The research sought to generate exploratory data to investigate the relationship between climate change impacts, microfinance and climate justice in the context of smallholder farmers in rural Rwanda. Data indicates that membership in cooperatives or savings groups acts as a financial safety net for members which is key in times of erratic rainfall, prolonged dry spells and, consequently, less predictable yields. Access to microfinance was generally perceived very positively by those who had received loans. Urwego bank's understanding of farming cycles appeared to be appreciated by its clients, in particular the fact that repayments could be made at a time of year when the farm income was high. The financial management training and agronomist support provided by the bank were generally perceived positively. Access to loans appeared was associated with increased yields, which would provide resilience to climate impacts. These preliminary findings highlight important climate justice implications for how microfinance is used to support farmers to adapt to climate change. Bank and government employees did not indicate awareness of the concept of climate justice or consideration of inequality issues more generally. A presentation with the main findings was given by the study's authors at three different technical gatherings organised by the University's Centre for Climate Justice and the Yunus Centre for Social Business and Health. The study's 45 page final report was released in print in December 2019 and widely circulated.</p>	
3.4	Has the project completed a mid-term project evaluation in the past 12 months (or is one planned for the next 12 months)? Please provide detail of the outcome of the evaluation. (Max 500 words)	
	A Mid-Term Evaluation was carried out by an independent firm between October and November 2019.	
3.5	Please highlight how you are maintaining an awareness of others working in this region, giving details of collaboration, joint working or partnerships with others. (Max 500 words)	
	<p>Urwego Bank continues to prove a professional, reliable and effective partner in Rwanda. Opportunity International's Scottish Project Manager enjoys an excellent relationship with his two counterparts in Kigali (an overall Project Manager and a Finance Officer).</p> <p>Contacts with CARE Rwanda have significantly intensified during the reporting period, particularly around the development of the "YSLA" project proposal.</p>	

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	<p>OIUK Scottish Project Manager visited Rwanda in January 2020 and finalised arrangements for the start of the Youth Savings and Loans Associations project later in the year.</p> <p>Regular in-country coordination and information sharing meetings continue to take place in Kigali among Scottish Government grant holders. Monthly meetings are held with the participation of Urwego Bank, Challenges Worldwide, Water Aid and Tearfund amongst others</p>
<p>4. Safeguarding and fraud</p> <p><i>Please ensure you complete questions 4.1 and 4.2 even if you have no incidents to report.</i></p>	
4.1	<p>Have there been any safeguarding incidents, either relating to staff/volunteers or beneficiaries of the Grant or the Project, in the last 12 months?</p> <p>No.</p>
4.2	<p>Have these incidents reported at 4.1 been reported to relevant authorities, and if so, to whom?</p>
4.3	<p>Describe what action has been taken, and highlight any lessons learned.</p>
4.4	<p>Have there been any incidents in the last 12 months of financial mismanagement, theft, fraud etc, either relating to the Grant or the Project or which affects the organisation?</p> <p>No</p>
4.5	<p>Have these incidents reported at 4.1 been reported to relevant authorities, and if so, to whom?</p>
4.6	<p>Describe what action has been taken, and highlight any lessons learned.</p>
<p>5. Risk assessment</p>	

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5.1	<p>Have any issues materialised during this reporting period? If so, how were they addressed?</p> <p>None of the risks considered at project design stage did materialise. However, as detailed below, a new, unforeseen and potentially very disruptive risk appeared in early 2020.</p>		
Assumption	Risk	Action taken	Was this included in the Risk Assessment Table in your application?
<p>The project assumes that the normal process for issuing agricultural loans, which requires frequent in-person interaction between Urwego's loan officers, clients and other cooperative officials, will continue</p>	<p>As a consequence of the COVID-19 pandemic, strict lockdown measures are in place in Rwanda until the end of April 2020, and may well be extended beyond that point, completely disrupting the established procedures used so far</p>	<p>Lending activity to agricultural clients has not stopped entirely even during full lockdown, as agric loan officers can process at least some transaction by phone and money can be transferred through digital financial services. This is aided by the fact that the interactions are essentially one-to-one (one loan officer and one coop representative)</p>	<p>No</p>
<p>The project assumes that the whole model of cooperative-based agriculture will continue to function and lending to farmers will continue to be a viable option for the bank</p>	<p>Anecdotal evidence points to early signs of severe suffering on the part of loan takers as a result of the COVID-19 crisis. In the absence, as yet, of hard data, bank staff who are in closer contact with cooperatives and client fear that between 80 and 90% of</p>	<p>Loan officers will try to entertain communication by telephone, but the internal functioning of the groups is essentially impossible until restrictions on public gatherings are relaxed.</p>	

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	<p>the currently outstanding loans (issued between December 2019 and March 2020) may not to be repaid.</p> <p>Apparently (but it is very difficult to get both the full picture and the details at this stage) the market for agricultural products is in complete turmoil, with wealthy families overstocking and the majority of poorer families being fed by the government "with food we don't know where it's coming from". Early signs show that the pandemic could severely disrupt both food supply and demand. Disruptions could occur as people who work in the food economy - from farmers to processors, to truck drivers and warehouse workers - are forced to stay home from work due to</p>		
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	either quarantine or illness. This could result in greater food loss and waste, defaults on credit payments, and a rising cost of doing business.		
The project assumes that Village Savings and Loans Associations can operate as usual, which include regular meetings of the members and frequent interaction with the loan officers.	Strict lockdown measures are in place in Rwanda until the end of April 2020, and may well be extended beyond that point, completely disrupting the established procedures used so far	Loan officers will try to entertain communication by telephone, but the internal functioning of the groups is essentially impossible until restrictions on public gatherings are relaxed.	

6. Inclusion & accountability

Thinking specifically about the past 12 months, please use this section to tell us how you are mainstreaming through your project, ensuring that you are aware of and actively working to reach vulnerable and marginalised groups.

6.1 Is the project still relevant for the beneficiaries you are working with? Please highlight how you ensure accountability on the project, ensuring beneficiaries have the opportunity to feedback on the project and influence its development? (max 350 words)

The extensive interviews and focus groups discussions held with beneficiaries as part of the Mid-Term Evaluation show a very high degree of relevance for and appreciation by the beneficiaries. Such relevance and appreciation are shared in equal measure between the financial component of the project (loans) and the capacity development part (good agricultural practice and holistic life skills training).

In terms of feedback, one has to remember that the beneficiaries of the project are – at least as far as the financial component is concerned – clients. This puts them in a position of power – power which is exercised during the regular

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	meetings between farmer cooperatives, VSLA members, and Urwego loan officers. Demands are regularly made by the clients concerning modalities of the loan process, and, if one is to judge by the high levels of client satisfaction voiced during the MTR interviews.
6.2	Do you have an awareness of particularly vulnerable or marginalised groups within the community in which your project is working? Please give details on how you are disaggregating data to recognise these groups across the project. (Max 350 words)
	Youth remain a difficult target group to reach. Reasons for this have been discussed in previous versions of these reports. At the moment the project does not collect data about disability.
6.3	How is your project working to actively meet the needs of these vulnerable and marginalised groups, ensuring they are benefiting from the project? Please outline any mechanisms you are using. (Max 350 words)
	In order to address the specific problems of reaching the group of 18-34 olds, OIUK and CARE Rwanda have entered into a partnership for implementing an 18-month parallel project aiming at the creation of Youth-only Savings and Loans Associations, hopefully reaching as many as 1,000 young entrepreneurs in this age range.
6.4	Taking into consideration some of the challenges of mainstreaming, please describe any challenges you have faced in reaching vulnerable and marginalised groups, how you have overcome these or plans you have developed to support inclusion on the project. (Max 350 words)
	Kindly refer to section 2.2 for details on the “YSLA project”
<p>7. Financial information</p> <p><i>This section will be reviewed alongside your budget report, which should be included alongside your narrative and logframe. Please ensure this spreadsheet is completed with both a detailed breakdown of expenditure for this financial year, along with your projected spend for the next financial year.</i></p> <p><i>Please note carry-over of funds to the next financial year should have been agreed with the Scottish Government by January 31st of the current financial year.</i></p>	
7.1	With reference to your budget spreadsheet, please give a detailed explanation of any variances between planned and actual expenditure, including reasons for the variances and whether these are as a result of timing issues, price achieved, quantity etc. If these are temporary variances, please outline plans for expenditure. (Max 500 words)
	Over an offered grand of GBP 301,621, the project ended with only modest underspend on two budget lines. GBP 4,219 were saved on in-country travel as Urwego bank picked up the bills for which no acceptable for of receipt was obtainable. GBP 7,203 were saved on the Digital Financial Services part of the Output 2, as a planned external consultancy to review the bank’s MHowe system never took place). It is worth noting that these savings in the DFS/Agents area

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	<p>did not affect the project's performance, as targets has been met or esceeded here too.</p> <p>A Modest overspend of GBP 720 noccurred on M&E as, on the one hand the external consultancy was cheaper than anticipated, and on the other there was the need to use local enumerators for a short period during the MTR.</p> <p>It is proposed that the total underspend of GBP 12,376 is carried over to Year 4 and used as discussed for the Youth Savings and Loans Associations project. (Details of budgeting and reporting to be discussed as soon as Year 3 reporting phase is concluded).</p>
7.2	<p>Please give details of any capital expenditure in this reporting period. (Max 350 words)</p>
7.3	<p>Please explain how you have worked to ensure cost effectiveness on the project in the past 12 months, whilst maintaining the quality of delivery. (Max 350 words)</p> <p>OIUK's Scotland programme manager costs are lower than set out in the original budget – these additional funds can in principle be made available for the YSLA project as well. At a local level, Urwego remains focused on working within the budget and demonstrating economy with the staff working on the Project. As detailed above, savings were made on a couple of budget lines, freeing up resources for the innovative project, whilst reaching or exceeding targets in all areas of the project.</p>
<p>8. Any other information</p> <p>Use this section to tell us any other relevant information regarding your project. (Max 500 words)</p>	
<p></p>	