



# Effects of Covid-19 on Group Based Financial Services in Rwanda

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Presentation by  
**Waringa Kibe, AFR Country Director**

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# Overview

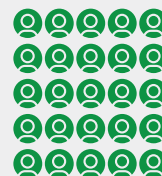
## What is a Savings Group (SG)



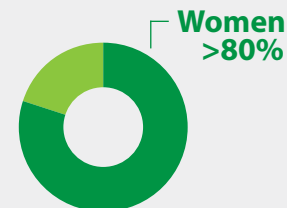
**Voluntary**



**Member based  
organisation**



**Made up of 25-30  
members**



**Largely women  
members - over 80%**



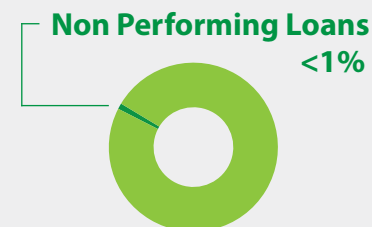
**Contribute savings, lend  
loans, share dividends**



**Maintain a social  
fund for welfare and  
emergency needs**



**In Rwanda, accepted  
as part of the financial  
sector (informal)**



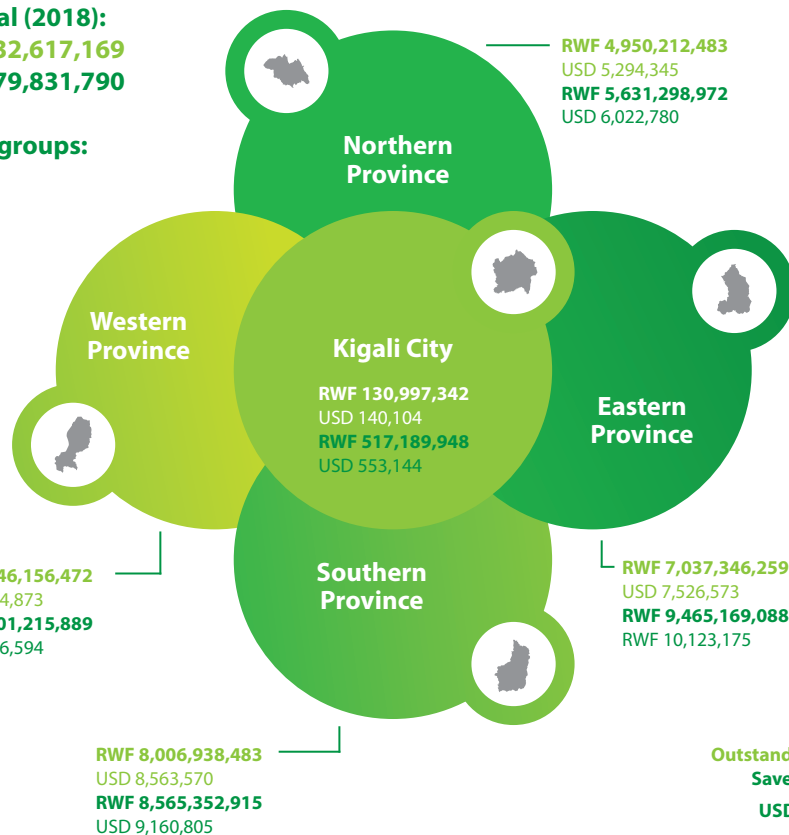
**Loan portfolio to SG  
members has NPL of  
below 1%**

# Savings groups in Rwanda



**Grand total (2018):**  
RWF 24,132,617,169  
RWF 31,079,831,790

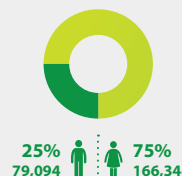
**Total # of groups:**  
47,369



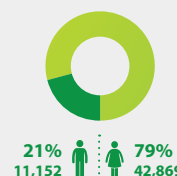
Source: Rwanda SG Map - sg.bnr.rw

## Gender segregation (2018)

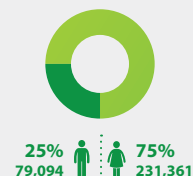
Northern Province



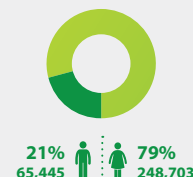
Kigali City



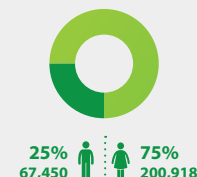
Eastern Province



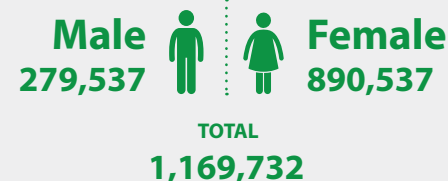
Southern Province



Western Province



## SG total membership



# Savings groups in Rwanda



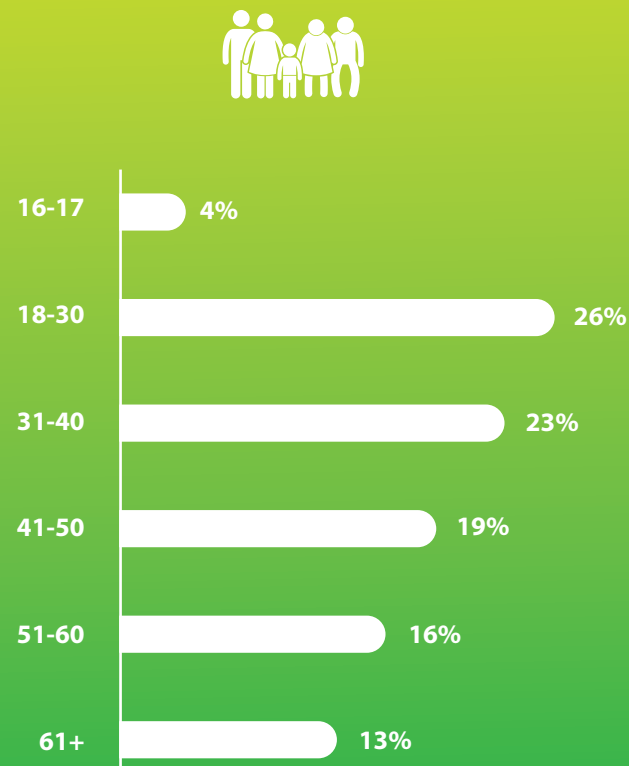
## Urban-rural distribution



## Gender distribution



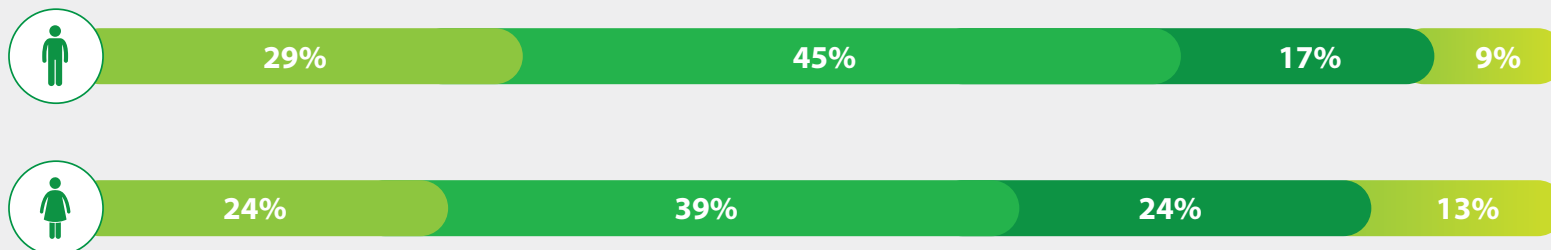
## Age distribution



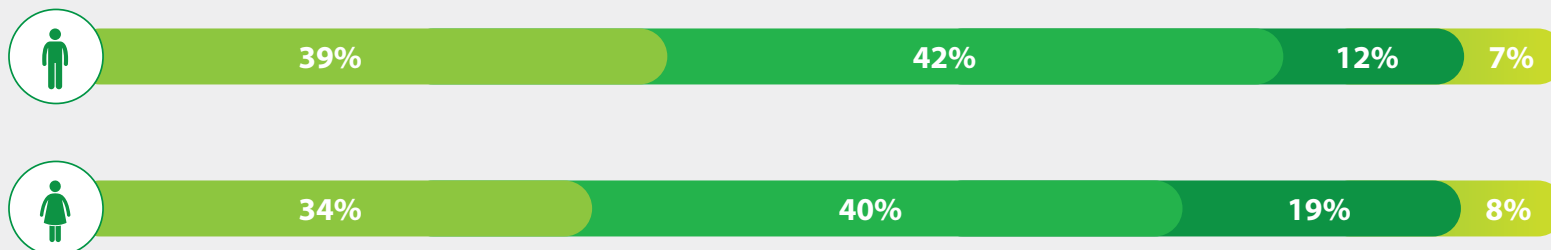
# Access strand by gender



2016



2020



Male Female

Banked Other formal (non-bank) Informal only Excluded

# Rwanda FinScope

## 2020



**81%**

**of adults use both formal and informal mechanisms**



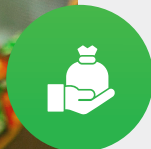
**4.2 M**

**adults use informal groups such as Village Savings Loan Associations**



**3.9 M**

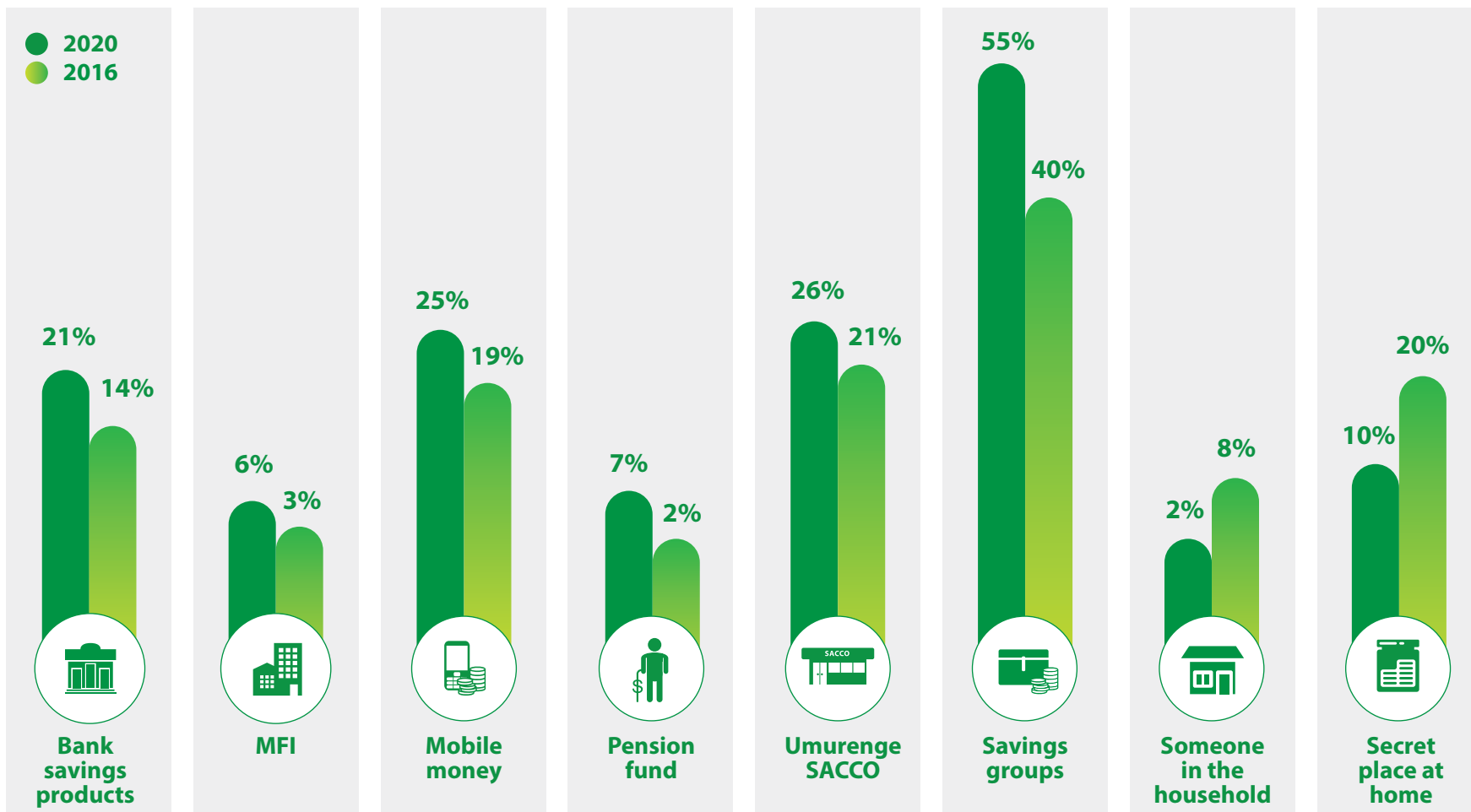
**adults save through savings groups**



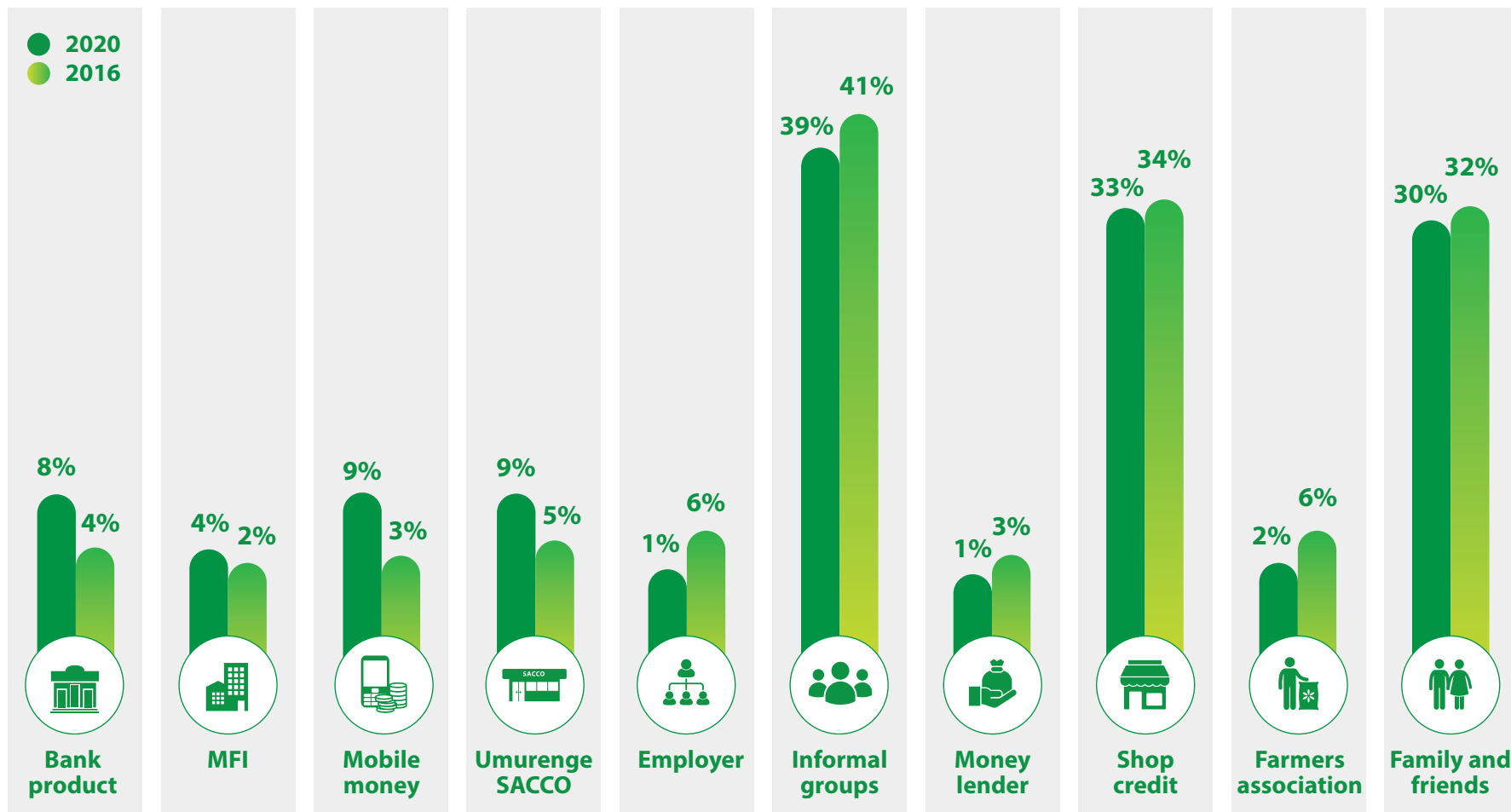
**2.8 M**

**borrow money from these savings groups (overlaps possible)**

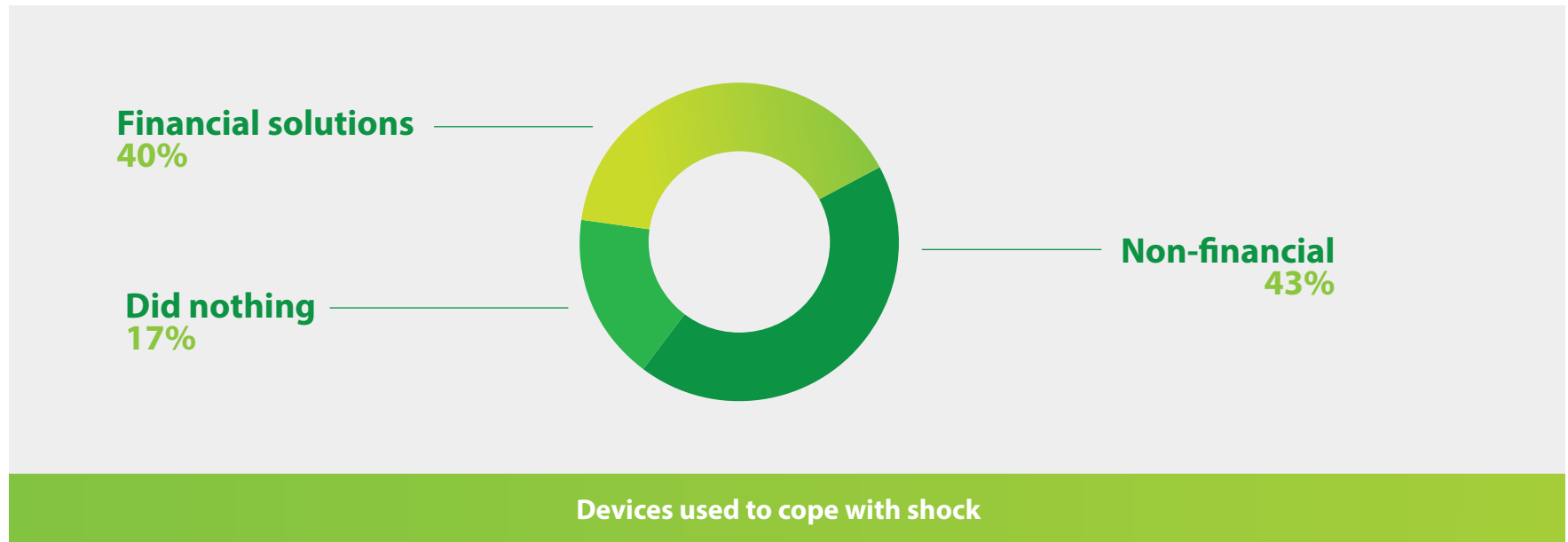
# Sources for savings



# Sources for credit



**Financial health assesses how well one's daily financial systems enable a person or household to build resilience to shocks and pursue opportunities and dreams.**



# Advantages of SGs



**Quick turn  
around time  
for credit**



**No  
requirement  
for collateral**



**Reliable  
savings  
platform**



**Social  
support to  
members**



**Access to  
trainings**



**Builds saving  
discipline  
through peer  
pressure**

# Effects of Covid-19 on SGs



**Handling cash is a big challenge**



**Physical distancing and inability to meet in large groups**



**Not able to pay back loans or save due to suspension of physical weekly meetings**



**Lack or limited access of group savings in the SACCOS and MFIs**



**Loss of revenue by SG members who are engaged in small and micro enterprises**



**Affected by a lack of digital financial service offerings by SACCOS & MFIs**

# Response Plan

## Proposed



**Sensitising  
SG members  
on Covid-19  
preventive  
measures  
through  
radio and  
messages**



**Ensuring  
there is a  
structure for  
messaging  
members  
through  
phone**



**Commis-  
sioned  
survey to  
understand  
the impact**



**Engaging  
MFIs and  
SACCOs to  
restructure  
loans and  
waive  
interest fees**



**Establishing  
Covid -19  
emergency  
fund for  
MFIs so that  
they can  
continue  
to serve  
members**



**Continued  
support to  
digitalisation  
efforts**



THANK YOU

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MURAKOZE