

REPUBLIC OF RWANDA



GENDER AND ACCESS TO FINANCE

**GENDER MONITORING OFFICE
MARCH | 2017**

GENDER AND ACCESS TO FINANCE

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INTRODUCTION

The Government of Rwanda has committed to promote gender accountability in all development sectors. This is materialized through the cross cutting nature of gender in the global governing frameworks including VISION 2020 and EDPRS II.

In addition, the 7 year Government Programme committed to continue mainstreaming the principle of Gender in all national programmes. In line with this commitment the Government anticipates to have a bigger number of active women in cooperatives, increased use of loans from financial institutions and to have at least 50% of all loans from UMURENGE SACCOs, micro finance institutions and banks be used by women.

The aforementioned commitments have been translated into action and today, women access to financial services have tremendously improved and financial exclusion reduced. The packaged information in this booklet unlocks the image of gender equality in the financial sector.

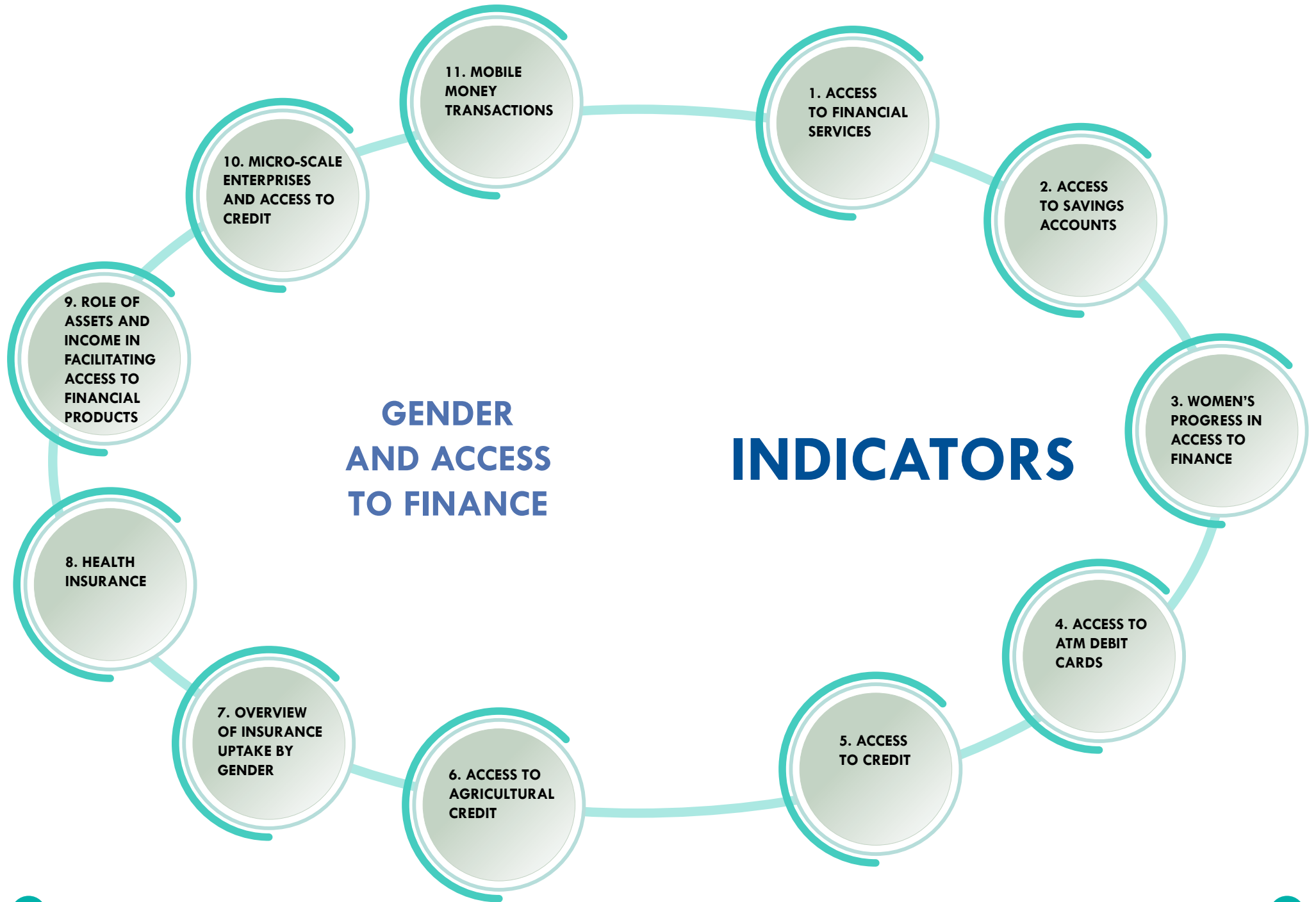
This booklet is intended to be used as a guide for policy makers, actors in the financial sector to celebrate and sustain the achievements reached so far, and an advocacy tool to further advance women's financial inclusion. There is mounting evidence to show that women's economic activity results in better bargaining power in their home.

Gender Monitoring Office will continue to track and update gender equality in this domain and provide user friendly information for continued financial inclusion of all Rwandans. The contribution of the National Bank of Rwanda (BNR) in the development of this booklet has been critical and this collaboration will continue as we track progress in Gender Equality in financial sector.

The role of partners including development partners, mostly ONE UN, Embassy of Sweden has been vital and visible towards this journey of sustaining and enhancing the overarching principles of gender accountability in Rwanda.

GENDER AND ACCESS TO FINANCE

INDICATORS



RWANDA POLICIES, STRATEGIES AND LAWS ON GENDER AND ACCESS TO FINANCE

Financial inclusion and accessibility to financial services especially for women has been driven by global governing frameworks including VISION 2020, EDPRS II, 7 year Government programme and the national gender policy 2010. Apart from these frameworks, other key policies, laws and strategies have accelerated women's access to financial services. These include among others:

- The Government Seven-year Programme (2010-2017): The government of Rwanda has committed to ensuring that at least 50% of all loans from UMURENGE SACCO, Microfinance institutions and Banks be used by women.
- Financial Sector Strategic Plan (2013-2018): This emphasizes the need to ensure financial inclusiveness especially for the underserved population including women.
- National Micro-Finance Policy Implementation Strategy (2013-2017): Stresses that no one should be excluded from the possibility to access financial services because of her/his social or economic status. It focus mainly on women and youth.
- National SME Development Policy 2010: Gender is one of the four principal crosscutting areas relevant to the SME policy and is considered to have the potential to deeply impact the success or failure of the policy.
- Women and Youth Access to Finance Strategy: It intends to support the creation of cooperatives, new jobs and increase the number of women accessing loans.

- The Women's Guarantee Fund (WGF): Established and managed by the Business Development Fund (BDF) to facilitate women entrepreneurs and SMEs without collateral to obtain loans in commercial banks and micro-finance institutions at affordable terms and conditions. WGF provides up to 75% of credit guarantee and a grant of 15 % of the total loan disbursed.
- Financial Sector Development Program (FSDP) (2008-2012): Aiming at increasing financial inclusion.
- Organic Budget Law N° 12/2013 on State Finances and Property: Enforces accountability on financing for gender equality and provides for mandatory gender responsive planning and reporting through Gender Budget Statements.
- Law N°27/2016 of 08/07/2016 Governing Matrimonial Regimes, Donations and Successions: Provides for equal rights and responsibilities over the management of familial properties and also allows both and girls to inherit their parent properties.
- Law N° 43/2013 of 16/06/2013 Governing Land in Rwanda: Guarantees equal rights on land access, ownership and utilization for both male and female.

GENDER AND ACCESS TO FINANCE

1. Access to Financial Services (%)

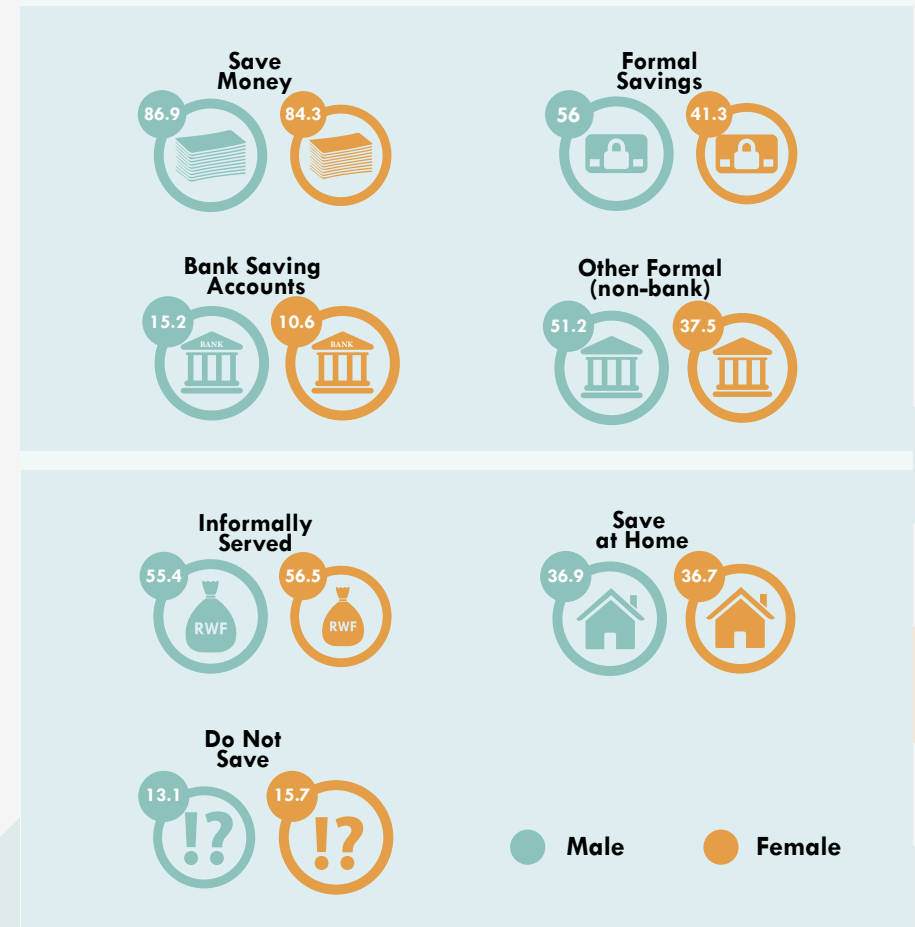


Source: FinScope 2012 & 2016

As the figures above show, there has been a progressive increase of women and men using formal (Bank and Non Bank) services/accounts, although there is still a big number of women who are financially excluded.

2. Access to Savings Accounts

i. Access to Saving Account (%)

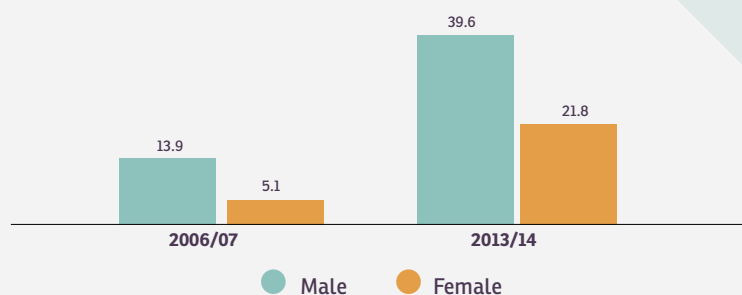


Source: FinScope 2012 & 2016

Opening a bank account is the main entry point or a precondition for someone to start working with financial institutions. The data above shows an increase of females who have accessed to saving accounts from 2012 to June 2016 although their increase is still low compared to that of males.

ii. Ownership of Saving Accounts

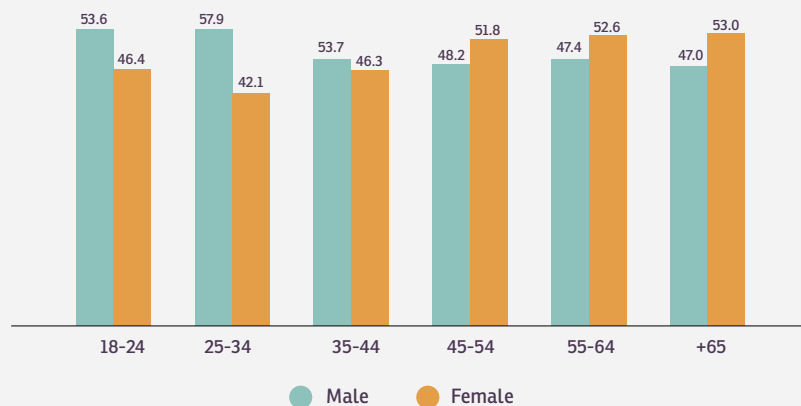
a) Owing Saving Accounts by Sex (%)



Source: EICV 2 & 4

This progress is mainly attributable to the increase in the number and accessibility of financial institutions, especially Umurenge SACCOs in rural areas whose 44% of members are females (in 2016)

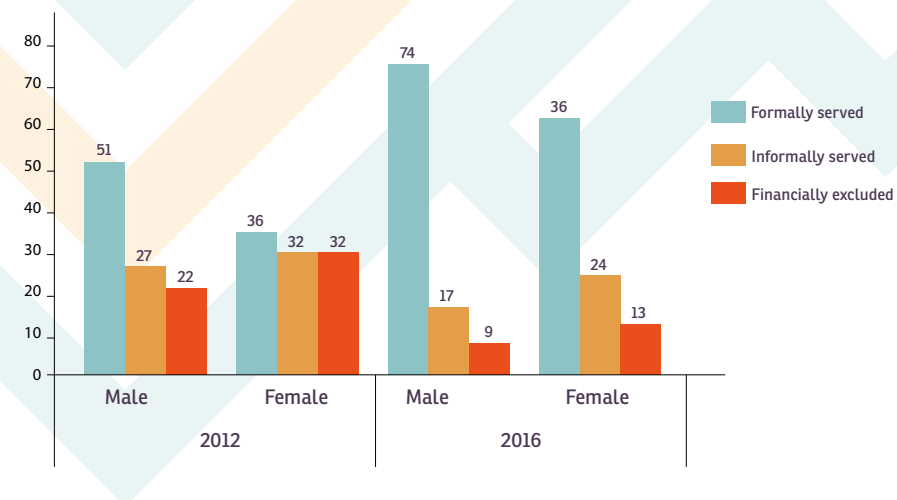
b) Owing Saving Accounts by Age (%)



Source: EICV3, 2010/11

From 18 - 44 age, males are likely to access saving accounts than females as they easily access to income generating activities, while from 45 and above age, females are more involved in savings than male.

3. Women's Progress in Access to Finance (%)

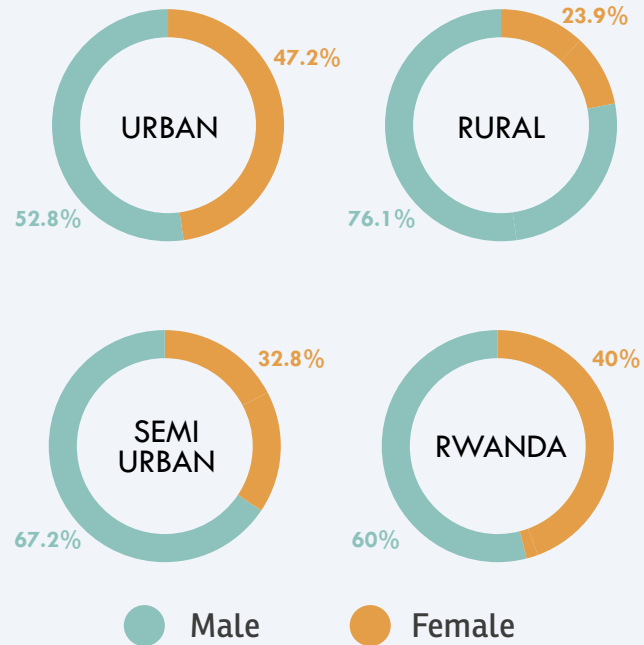


Source: FinScope, 2016

The figure above shows that female accessing formal financial services have almost doubled in four years from 36% in 2012 to 63% in 2016 although it remains below compared to males whose proportion increased from 51% to 74% in the same period.

Women having access to informal financial services have decreased by 8% from 32% in 2012 to 24% in 2016 compared to 10% decrease for males who are currently at 17% compared to 27% in 2012 as found out by FINSCOPE 2016.

4. Access to ATM Debit Cards

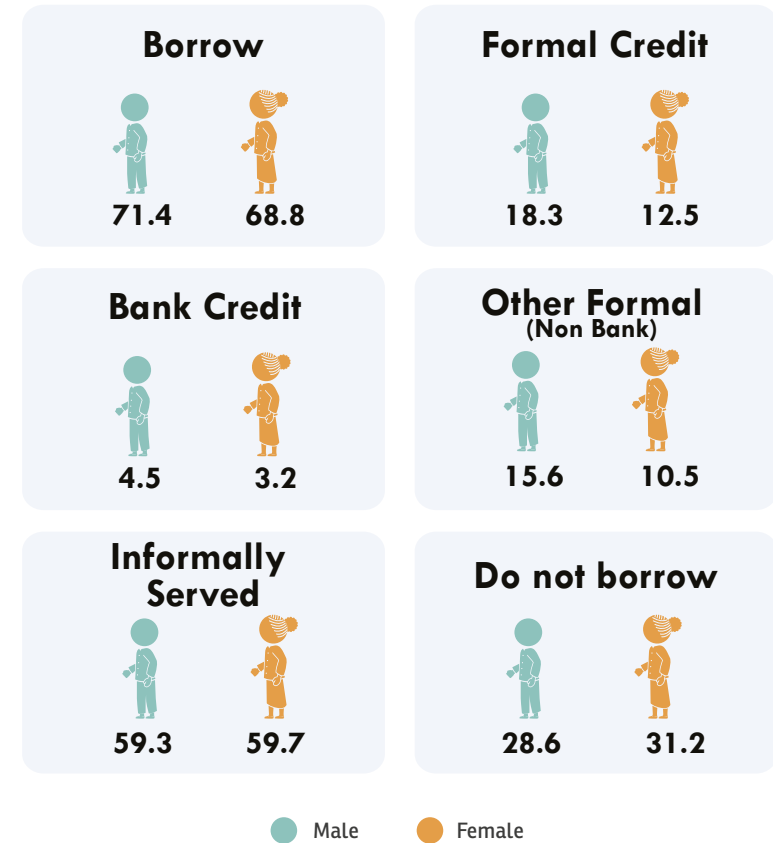


Source: FinScope, 2012

The higher proportion of men using ATMs in rural areas may be explained by men's greater mobility and their access to urban institutions. Women in rural areas mostly access financial services through SACCOs that, generally, do not provide ATM debit cards.

5. Access to Credit

i. Overview of Credit Products/Services (%)



Source: FinScope 2016

The majority of women rely on borrowing from informal groups as they easily get credit without collateral. In addition, they can easily turn to informal groups when in financial need, and to save money.

ii. Access to Credit - Umurenge SACCOs (%)

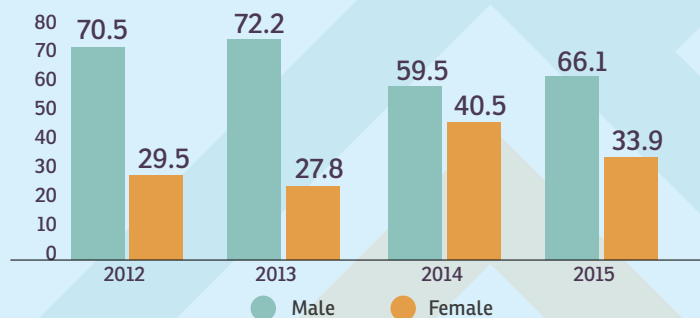
Number of deposit accounts (%)		2012	2013	2014	2015	2016
	Females	39.3	39.3	39.4	39.7	40
Males	53.5	52.9	52.2	51.5	51.1	
Groups	7.1	7.8	8.4	8.8	8.9	

Number of borrowers (%)		2012	2013	2014	2015	2016
	Females	25.6	27.0	26.4	27.9	30
Males	70.6	67.4	68.3	68.4	65.9	
Groups	3.9	5.6	5.3	3.7	4.1	

Source: BNR, Financial Stability Directorate, Administrative Data, 2017

Umurenge SACCOs contributed to women's access to financial services including access to loans.

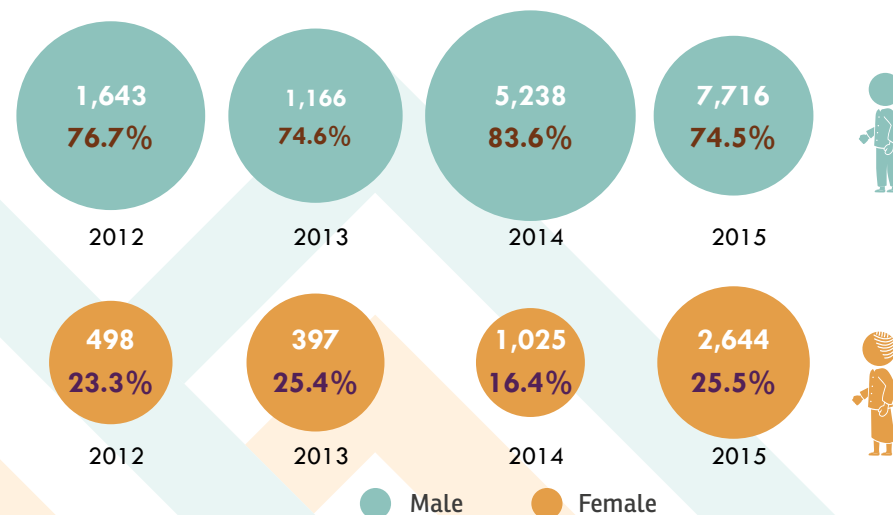
iii. Evolution of New Loans in the Banking Sector (%)



Source: BNR, Financial Stability Directorate, Administrative Data, 2016

6. Access to Agricultural Credit

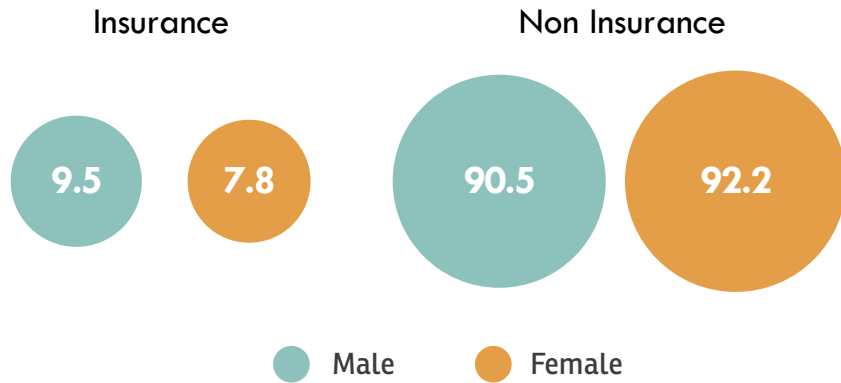
i. Percentage of Women and Men who Received Agriculture Credit



Source: BNR, Financial Stability Directorate, Administrative Data, 2016

The trend of women accessing agriculture loans has been increasing although it's still limited compared to the number of population in the agriculture sector.

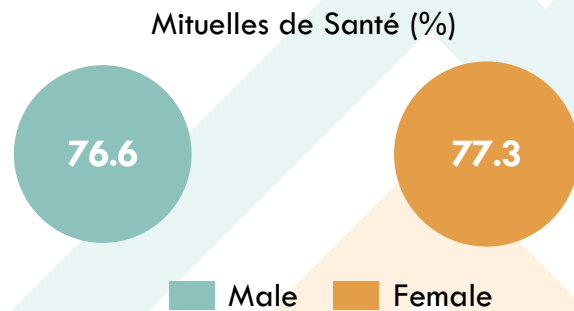
7. Overview of Insurance Uptake (%)



Source: FinScope, 2016

Main barriers to the non-insurance uptake include affordability, lack of consumer awareness and knowledge.

8. Health Insurance



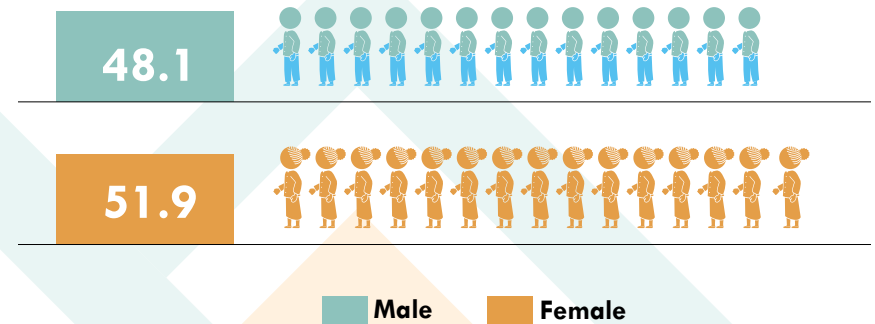
Source: FinScope, 2016

Medical Insurance has a good penetration rate with the main coverage through community health insurance (mutuelles de santé) and other health insurance schemes.

9. Role of Assets and Income in Facilitating Access to Financial Products

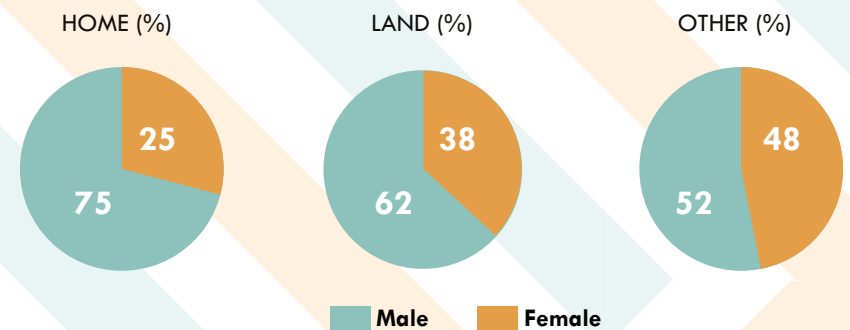
i. Land and Assets Ownership

a) Land Owners/Co-Owners (%)



Source: RNRA, Administrative Data, 2013

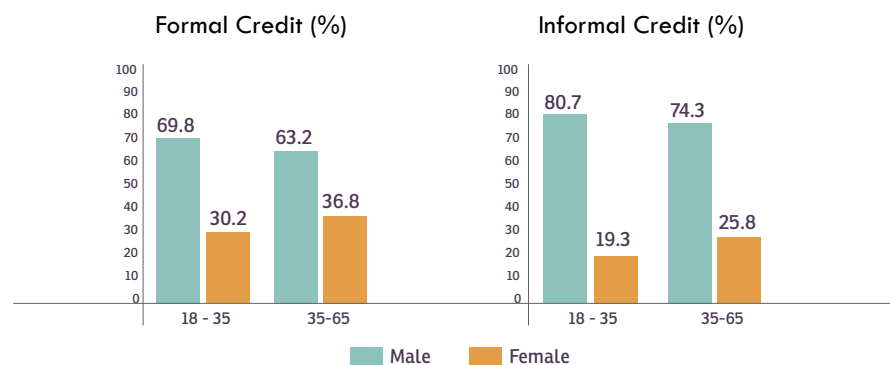
b) Contribution of Land and other Assets to Credit



Source: EICV3, 2010/11

10. Micro-scale Enterprises and Access to Credit

Men and Women-owned Micro Scale Enterprises that Secured Credit (%)



Source: Manpower Survey, 2011

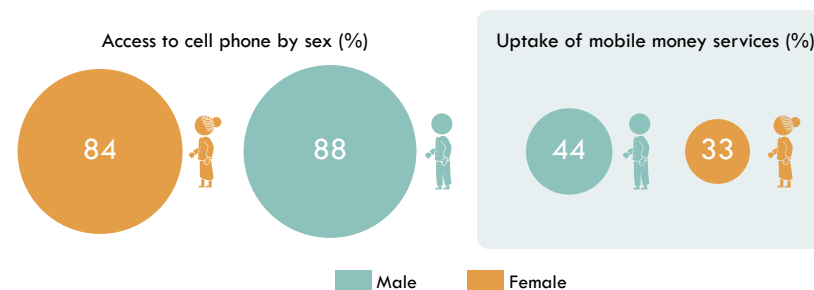
A series of recent initiatives have been taken to address disparity among female and male in access to credit. These include the Business Development Fund(BDF) and HangaUmurimo programme among others.

11. Mobile Money Transactions

The penetration of mobile money has facilitated the implementation of financial inclusion strategy and contributed to the increased access to formal financial transactions among Rwandans.

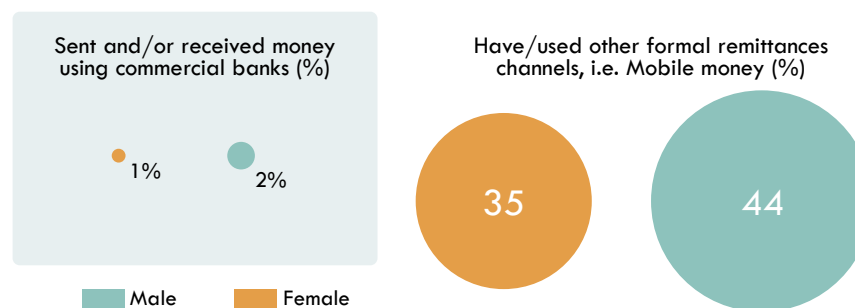
i. Access to Mobile Phone

Cellphone access and ownership continues to increase in Rwanda with 84% of women owning/having access to a cellphone [compared to 88% men]. As such, the uptake of mobile money has also increased over the past years with 46% of men and 33% of women having/using a mobile money account.



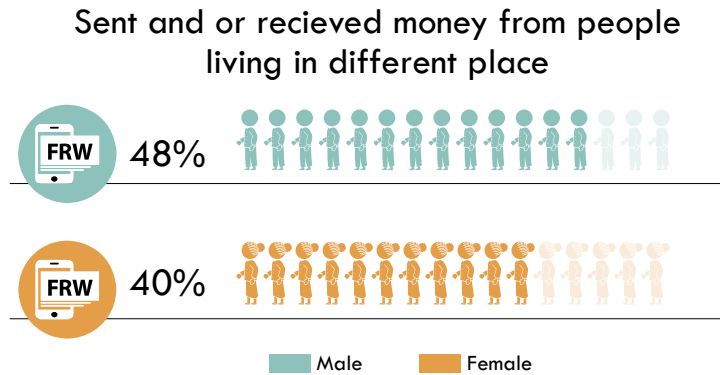
Source: Women and FinScope, 2016

ii. Mobile Phone Financial Transactions



Source: Women and FinScope, 2016

iii. Mobile Money Uptake

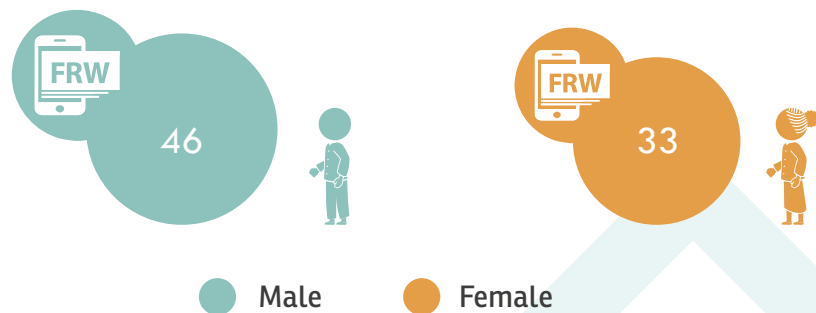


Source: BDF Annual Report, 2015

The uptake of mobile money has increased over the past years, however with more men than women having/using a mobile money account, mainly to send/receive money but also to save, pay utility bills and purchase airtime.

iv. Mobile Money Account Holders

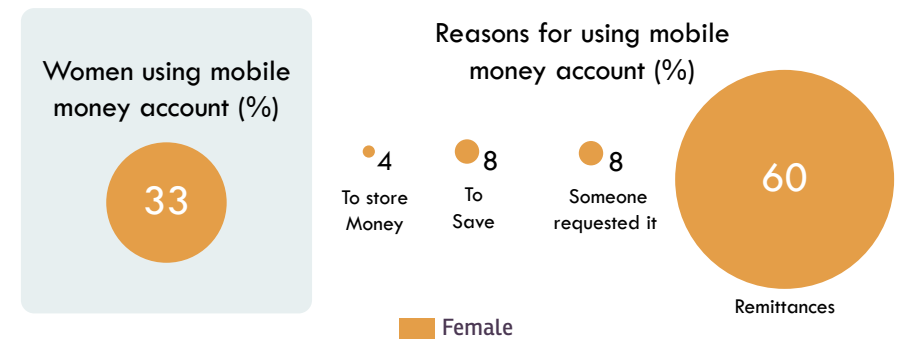
Having and Using Mobile Money Account (%)



Source: Women and FinScope, 2016

Women significantly lag behind men in mobile money usage with 13% gender gap.

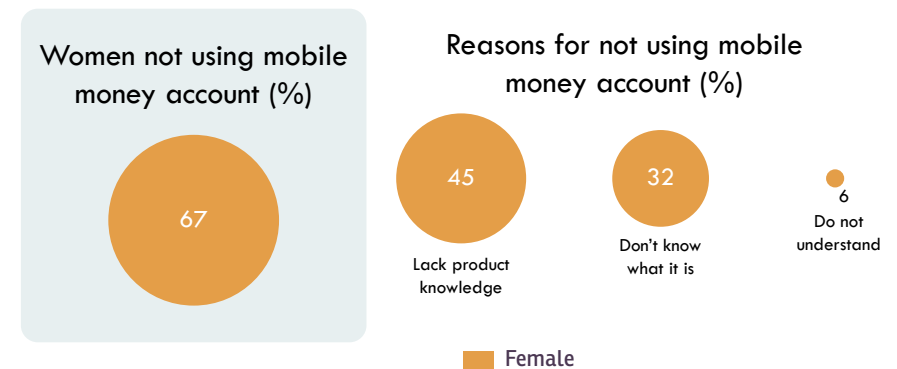
v. Drivers of Using Mobile Money (%)



Source: Women and FinScope, 2016

Reasons for using mobile money accounts are mainly for easy saving and request by people for financial transactions.

vi. Barriers to Use Mobile Money



Source: Women and FinScope, 2016

Main barriers to the uptake of mobile money account relate to lack of consumer awareness and knowledge

KEY RECOMMENDATIONS

1. Ensure that the next financial sector strategy is gender responsive to facilitate tracking progress towards gender equality in financial inclusion.
2. Invest in financial capacity building programs for women, through advisory services, mentorship and coaching to reinforce their ability to act as informed and educated financial consumers.
3. Put in place special measures to enable low income earners especially some segments of women and youth groups to open and manage bank accounts in formal financial institutions which will lead to gradual shift from informal (VSLA) to formal financial mechanisms.
4. Increase the diversification and availability of financial products and services for different segments of women and youth that can be emulated from VSLA, tontines and other self-help groups with a special focus on reduction of bank charges and increased proximity of services.
5. Mobilize financial institutions to package their procedural requirements/forms in a customer friendly manner targeting the most financially excluded categories.
6. Improve the management of existing financial solidarity groups (VSLA) of women and youth.
7. Invest in the extensive and aggressive collection of sex disaggregated and analysed data to inform gender responsive decisions in the financial sector.
8. Strengthen mobilisation of savings in the community, including increasing ownership of saving accounts by young women.
9. Facilitate increased use of mobile money through improved access to mobile penetration especially in rural areas.



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