

SOCIOECONOMIC IMPACTS OF RURAL FINANCIAL INTERMEDIATION PROGRAM II (RUFIP-II) THROUGH COOPERATIVE SECTOR: IN THE CASE OF ETHIOPIA

Final Project Report



Submitted by:

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*In partial fulfilment of the requirement for the
Degree of Master of Arts in*

Sustainable Development Practice

Submitted to

Department of Policy Studies

TERI School of Advanced Studies

June 2018

Declaration

This is to certify that the work that forms the bases of this project “**SOCIOECONOMIC IMPACTS OF RURAL INTERMEDIATION PROGRAM II (RUFIP-II) IN COOPERATIVE SECTOR: IN CASE OF ETHIOPIA**” is an original work carried out by me and has not been submitted anywhere else for the award of any degree. I certify that all sources of information and data are fully acknowledged in the project report.

Signature

A handwritten signature in black ink, appearing to read 'Guche', written over a set of horizontal lines.

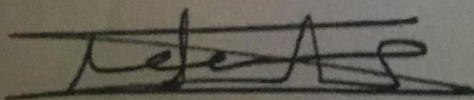
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Certificate

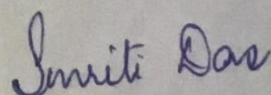
This is to certify that “**Guche Mekene Meto**” has carried out his major project in partial fulfilment of the requirement for the degree of Master of Arts in Sustainable Development Practice on the topic “**Socioeconomic Impacts of Rural Financial Intermediation Program II (RUFIP-II) in Cooperative sector: in case of Ethiopia (Oromia, Amhara, SNNP and Tigray)**” during January 2018 to May 2018. The project was carried out at **Development Bank of Ethiopia**.

The report embodies the original work of the candidate to the best of our knowledge.

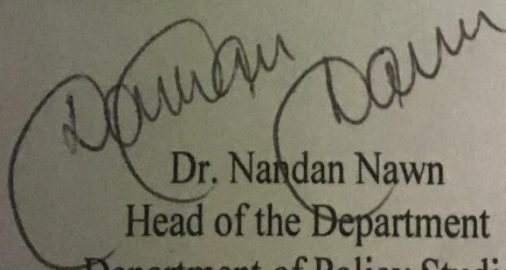
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Acknowledgements

Above anything, I am thankful for Mighty God for His uncountable compassion and for all the things He did for me. With absence of His providence and mercy, I can do nothing. I am thankful for my family and friends for all their supports.

I am thankful for my advisor Dr. Smirti Das for her limitless assistance, mentorship and helpful supervision from starting to the end of the research work. Again I remain thankful for my co-supervisor Dr. Prashant Kumar Singh for his fruitful advises and directions he provided me from the design of proposal to the final research. My thank again goes to my external supervisor in Development Bank of Ethiopia (DBE) Tefera Befekadu and all his staffs who supported me well in my field data collection and getting prior reports/information of RUFIP.

For this golden opportunity I am grateful for IFAD and Global Association Master's in Development Practice, (Global MDP, Earth Institute Colombia University). My research internship in IFAD Ethiopia with DBE in RUFIP-II has been realized due to the tireless effort of Global Master's in Development Practice Secretariat Dr. Lucia Rodrigues – I am thankful for her efforts.

My heartfelt thanks is to four regional RUFIP coordinators and their staffs who eased my job in communicating with unions and RUSACCOs in respective regions (Oromia, Amhara, SNNP and Tigray). I appreciate the countless support and warm welcomes from unions, RUSACCOs and members participated in this study.

Abstract

Rural Financial Intermediation Program II (RUFIP-II) is a financial intermediation program operating through Microfinance Institutions (MFIs) sector and RUSACCOs sector to accelerate rural financial service provision for unbanked sections of the community. RUFIP-II has started in 2012 and supposed to end in 2019. So it has been under implementation for 5 years and this is the right for socioeconomic impact of the program to be studied. Given this background, this study has been conducted in four regional states of Ethiopia, (Oromia, Amhara, SNNP and Tigray), with the objective of assessing economic impacts and social impacts of RUFIP-II. Simple random sampling is the method used to select the households/members from RUSACCOs. The RUSACCOs are sampled purposively based their performance and two RUSACCOs are selected from two unions in each region (one well performing and one poorly performing). Total of two hundred households are involved in this study – twenty-five member households from each RUSACCOs which makes fifty households from each region. All the households who are member of RUSACCOs have saving deposits starting from 300.00Etb to 120,000.00Etb per households. The credits from the RUSACCOs helped households to start new business and others to strengthen their existing business. Limited/lack of loanable fund is the biggest problem of the RUSACCOs to fulfill the credit needs of their members.

Keywords: *Smallholder, Rural households, financial inclusion, financial intermediation and RUSACCO,*

Table of Content

Declaration	I
Certificate	II
Acknowledgement	III
Abstract	IV
Chapter one	1
Introduction	1
Chapter Two	4
Background and Rational	4
Chapter Three	8
Objective and Methodology	8
3.1 Objective	8
3.2 Methodology	8
Chapter Four	10
Result and Discussion	10
4.1 Characteristics of the respondents	10
4.1.1 Respondents' Gender and Region	10
4.1.2 Family Size	10
4.1.3 Age of the Households	11
4.1.4 Status of Literacy	12
4.2 Access of Financial Services	13
4.2.1 RUSACCOs and Unions Accessed Loan from RUFIP-II	13
4.2.2 Unions Received Loan	13
4.2.3 RUSACCOs Received Loan from RUFIP-II	14
4.2.4 Saving Per Household	15
4.2.5 Credit Per Household	16
4.3 Improved Infrastructure	17
4.3.1 Housing Condition	17
4.3.1.1 Housing Floor Type	17
4.3.1.2 Number of Bedrooms	17
4.3.2 Drinking Water Sources	18
4.3.3 Toilet Facility	19
4.3.4 Cooking Fuel Sources for the Households	20
4.4 Food Security	20
4.5 Asset Possession/Ownership	21
4.5.1 Non-Productive Asset Ownership	21
4.5.2 Ownership of Transport Related Assets	22
4.5.3 Ownership of Livestock	22
4.6 Livelihood	23
4.6.1 Engagement in Farming Activities	23
4.6.1.1 Means of Farming	23
4.6.2 Major livelihood	24
4.6.3 Migration of Households	24
4.7 Annual Income and Expenditure	25
4.7.1 Annual Income from Different Sources	25
4.7.2 Annual Expenditure	25
4.8 Size of RUSACCO Members	26
4.9 Stakeholders Opinions and Observations on the Program	27
4.9.1 RUSACCOs' and Unions' Leaders	27

4.9.2 Regional Cooperative Agency -----	27
Chapter Five -----	29
Conclusion and Recommendation -----	29
References -----	32
Annexure-1 Household interview Questionnaire -----	34
Annexure-2 RUSACCO Questionnaires -----	44

List of Tables

Table 1: Individuals using financial services (ages 18+) -----	5
Table 2: Respondent households by gender and regions -----	10
Table 3: Respondents family size -----	11
Table 4: Age of respondents -----	11
Table 5: Age distribution of sample household families -----	12
Table 6: Schooling of respondents' families -----	13
Table 7: Unions received RUFIP-II loan per regions -----	14
Table 8: Household saving -----	15
Table 9: Household credit -----	16
Table 10: Descriptive statistics of debtors -----	16
Table 11: Housing condition of the respondents -----	17
Table 12: Bed rooms -----	18
Table 13: Non-productive asset possession/ownership -----	21
Table 14: Transport related asset ownership -----	22
Table 15: Livestock ownership -----	22
Table 16: Households by means of farming -----	23
Table 17: Household income -----	25
Table 18: Household expenditure -----	26
Table 19: Size of members for sample RUSACCOs -----	27

List of Charts

Chart 1: RUFIP-II loan received by unions -----	14
Chart 2: RUSACCOs received RUFIP-II loan -----	15
Chart 3: Reasons for not borrowing -----	17
Chart 4: Households' drinking water sources -----	19
Chart 5: Toilet facility of households -----	19
Chart 6: Households energy source for cooking -----	20
Chart 7: Household experience of hunger -----	21
Chart 8: Households involved in cultivating any farmland -----	23
Chart 9: Major livelihoods -----	24
Chart 10: Migration practice in the last 12 months -----	25

Introduction

The major issue of considerable parts of rural Ethiopia is Chronic food insecurity, as matter of fact more than half of rural districts/woredas in Ethiopia are prone to shortage of rainfall and food insecurity (MOA, 2014 cited in Ahmed, 2016, p.1). These food insecure areas are suffering from soil infertility caused by soil erosion and deforestation, inadequate land size per household, unpredictable and irregular rainfall, decrease in agricultural yield, increased population, infrastructural inaccessibility, lack of suitable farming methods, lack of optional business and scant market information (MoA, 2010 cited in Ahmed, 2016, p.1).

Poor and chronically food insecure households are commonly dependent on subsistent agriculture with micro land holding and shortage/lack of financial services. Additionally, they own no or less number of animals and no enough saving either in cash or kind for coping from shocks. They are predominantly vulnerable to any internal and external shocks like conflict, drought, flood, etc. and unable to fulfil their own and family primary basic needs for example food, cloth and shelter in a sustainable manner. Furthermore, they lack pecuniary capability to create access to other basic necessities such as hygiene and health facility, education, drinking water and transportation facility. Currently, the government of Ethiopia in collaboration with development stakeholders has taken rural poverty and chronic food insecurity as one of foremost development objectives and is investing tirelessly to sidetrack the situation. Growth and Transformation Plan (GTP) annual progress report, of Ministry of Finance and Economic Development (MOFED) of Ethiopia, for the fiscal year of 2011/2012 stated the issue in this way- “Poverty eradication is the core development objective of the Ethiopian Government while rapid economic growth is a key strategy to this objective” (MOFED, 2013). To ensure rapid economic growth of a community or a country, there should be affordable and easily accessible financial services and institutions to provide the service. Financial services like saving, credit, insure, money transaction, etc. could encourage in investment and entrepreneurship of the citizens.

Most of the poor households in rural areas of developing countries like Ethiopia lack affordable and accessible financial services, except the local money lenders, families, friends, voluntary saving groups (Iqub). Despite of this fact, financial services are very crucial for economic and social development of a society. Development of accessible, affordable and well-functioning financial institutions is important to change the living situations of poor and

food insecure households in rural Ethiopia. Considering this, Ethiopian government in cooperation with the International Fund for Agricultural Development (IFAD) designed national program named ‘Rural Financial Intermediation Program (RUFIP)’; with the objective of creating range of financial services for smallholder farmers in rural Ethiopia through a nationwide network of Microfinance Institutions (MFIs), Rural Saving and Credit Cooperatives (RUSACCOs) and unions. The program was funded by IFAD, African Development Bank, Development Bank of Ethiopia (DBE) and commercial banks and implemented from 2003 to 2011 as RUFIP-I. Then, lessons from RUFIP-I created a base for formulation of RUFIP-II which is under implementation since 2012; with funding from IFAD, Commercial Banks (CB’s), DBE, Government of Ethiopia (GOE) and Associations for Ethiopian Microfinance Institutions (AEMFIs).

Rural Financial Intermediation Program (RUFIP II) is mainly aimed at promoting effective delivery of efficient, demand driven financial services to alleviate rural poverty via increasing agricultural production and productivity in addition to off-farm and none farm income generating activities. It is implemented through two sectors Microfinance Institutions (MFIs) and RUSACCO sector. The programme started in July 2012 and is supposed to continue till June 2019. After 5 years of implementation, the programme is at a stage where the socio-economic impact needs to be assessed carefully. Given this backdrop, the objective of this study is to understand the relationship between the concepts of poverty and microfinance/financial inclusion and further to assess the socio-economic impacts of rural financial intermediation program in the household of four states in the case of Ethiopia (Oromia, Amhara, SNNP and Tigray regional states). This study is about the socio-economic impacts of RUFIP-II via RUSACCO sector. The study had two main objectives:

- To investigate the economic (asset ownership and trends for asset building, increase and diversification of income, saving and investment, job creation, etc.) impacts of the project
- To assess the social impacts (Gender equality, education, health facility, migration pattern, etc.) of the project

The report has six chapter – abstract, introduction, background and rationale, objective and methodology, result and discussion and conclusion and recommendation. Chapter one is

abstract and it is the summary of the study and the report. Chapter two is Introduction where the introduction of RUFIP-II and its impact study has been done including the structure of the report. Chapter three is background and rationale of the study which is built from review of literatures on rural financing, services of RUSACCOs and its importance. Chapter four is Objective and methodology where the objective of this study is explained and gives brief about the methods followed to execute the study. Chapter five is result and discussion, in this section the data collected from the field are presented in tables, graphs, bar chart and pie chart and narrations. Chapter six is conclusion and recommendation where conclusion of the report and recommendation for way forward has taken place.

Background and Rational

Financial services are bases for investment as well as production and productivity increases. In contrast to this fact, majority of the community in developing countries like Ethiopia have limited or no access to financial services. When it comes to rural smallholders, women, poor and food insecure farmers, the issue is worst than any where else.

Sustainable and sufficient economic growth and production increase of the rural poor depends on the affordability and accessibility of the financial services they are accessing. Currently, there is rapid growth of financial services in developing countries like Ethiopia. Despite these fact, there are huge chunk of smallholders who do not have access to financial services at all or have limited access to financial services (Shimelles Tenaw and K.M. Zahidul Islam, 2009). Most of the rural poor and smallholders are financially excluded from the formal financial system due to many reasons- strict financial service requirements of formal financial sectors, lack of proximity of institutions to the needy, lack of flexibility on the size of credit, higher interest rate, tiresome loan procedures, loan collateral, etc.

According to a report produced by Central Statistical Agency of Ethiopia in cooperation with World Bank and National bank of Ethiopia, in Ethiopia only 22% of adult population (ages 18+) has an account at formal financial institutions such as bank, microfinance institutions, Saving and Credit Cooperative (SACCO), Mobile bank application (M-Birr and hello cash) or other formal financial institutions for a loan, saving, money transfer or receiving a wage. The percentage of population holding account shows gender disparities; 26.4% of adult Male (ages 18+) have accounts whereas 17.5% of adult females have accounts. The percentage of adults holding an account with formal financial institutions differs from urban to rural. The capital city, Addis Ababa, has 60.5% of total adults with accounts in formal financial institutions; of which 65.3% are male account holders and 56.6% are female account holders. On the other hand, percentage of population with access to financial services in rural areas is only 11.6 % (See Table 1); of which 16% are males and 7.5 % are female account holders (CSA, World Bank and National Bank of Ethiopia, 2017).

Table. 1 Individuals using financial services (ages 18+)

Location		Both (% in %)	Males (in %)	Female (in %)
Regional states	Tigray	28.1	31.3	25.4
	Amhara	27.6	32.3	23.4
	Oromia	15.2	20.5	10.1
	SNNP	14.9	20	10.1
	Addis Ababa	60.5	65.3	56.6
	Other regions	16.9	21.3	12.7
Rural		11.6	16	7.5
Towns	Small town (Urban	38.2	48.2	29.2
	Large town (Urban	54	61.5	48

Source: CSA, World Bank and National Bank of Ethiopia, 2017

This indicates that strong and wide interventions are needed to ensure financial inclusion for rural poor and food insecure smallholders. Rural financial intermediation is backbone to tackle economic and social obstacles of the smallholders thereby for rural poverty alleviation and asset creation. According to Inter-American Development Bank (2001), maturity of financial intermediaries is decisive for economic growth and development for three main reasons. First, the sector maturity unlocks the economic potential of majority of the population and fastens economic growth via better intermediation and risk management. Nations with better financial intermediaries and well developed financial services grows faster than the nations with poorly performing financial intermediaries. Secondly, the absence of well functioning financial services prohibits the start-up of new enterprises and scale-up and transformation of the existing enterprises thereby creates income inequality. This happens because the people with better opportunity of saving and credit services shows faster growth than the people who do not have access to. Thirdly, the presence of functional financial intermediaries and financial services can lessen vulnerability and accelerates poverty alleviation. When there is availability of in cash saving, it gives chance for smallholders to withdraw at times of shock or crises and thus smoothens household consumption and saves asset depletion (Inter-American Bank, 2001). In this regard, Rural Credit and Saving Cooperatives (RUSACCOs) have vital role to play in reaching the rural poor and smallholders at remote rural settings where the formal banking institution may not be profitable. In most of the cases, smallholders do not fulfil the banking requirements of formal banks due to collateral and minimum loan size since banks are profit oriented and focusing on huge investment loans. RUSACCOs are community owned, managed and self-

reliant financial intermediaries (Kibrom, Bethelhem, Gashaw and Guush, 2017). Government of Ethiopia and its development partners putting more effort to widen the financial inclusion for the unbanked so that it assures asset building and poverty alleviation (MOFED, 2013). In developing countries like Ethiopia where financial services are sheltered in the infrastructured cities, RUSACCOs are remedial for financially excluded rural smallholders and households in accessing financial services. Taking this into account, the government of Ethiopia in cooperation with IFAD designed Rural Financial Intermediation Program (RUFIP).

Rural Financial Intermediation Program (RUFIP) is a program designed with the aim creating access to financial services for smallholder farmers in rural Ethiopia and designed by government of Ethiopia in cooperation with International Fund for Agricultural Development (IFAD). The first phase of the program was named RUFIP-I and implemented from 2003 to 2011 for seven years. Learning from the lessons of RUFIP-I, RUFIP two has been designed and under implementation from July, 2012 till June, 2019 for seven years of time. RUFIP-II is implemented through two sectors namely Microfinance sector and Cooperative sector including of both RUSACCOs and its Unions (ITAB Consult PLC, 2014). Therefore, this study is about socioeconomic impacts of RUFIP-II after its five years of program implementation focusing in the cooperative sector (RUSACCO and Unions) in four regional states of Ethiopia (Oromia, Amhara, SNNP and Tigray regions).

Saving and Credit Co-operatives (SACCOs) are community membership based financial institutions that are formed and owned by their members in promotion of their economic interests (Nuwagaba, 2012 cited in Gebreselassie, 2016, p.508). Concerning SACCOs Ethiopian cooperative societies proclamation No. 985/2016 states that, Saving and credit cooperatives (SACCOs) are cooperatives established based on voluntary membership to provide saving, credit and credit-life-insurance services for their members (proclamation No. 985/2016). SACCOs are formed with voluntary membership of the members to meet their need of financial service. In Ethiopian context the SACCOs primarily operating in the rural parts of the country are commonly called Rural Saving and Credit Cooperatives (RUSACCOs).

Financial inclusion is formal financial service accessibility and use by household/firms for livelihood improvement, poverty reduction and advancing economic development (IMF,

2015, p.8). RUSACCOs are members owned, community based and voluntary membership institutions working for the financial inclusion of the rural poor and smallholders. According to the proclamation No. 985/2016, RUSACCOs are expected to play vital role in promotion of saving culture, provision of loan and investment and solving economic problems which cannot be achieved by individual alone (Proclamation No. 985/2016).

Objectives and Methodology

3.1 Objectives

RUFIP-II has been implemented since July 2012 and supposed to go till June 2019. Currently, the program has been implemented for the last 5/6 years of time. Therefore, it is time to conduct socioeconomic impact study of the program on households/beneficiaries. Taking this into account, the study has been conducted and it had two main objectives:

- To investigate the economic (asset ownership and trends for asset building, increase and diversification of income, saving and investment, job creation, etc.) impacts of the project
- To assess the social impacts (Gender equality, education, health facility, migration pattern, etc.) of the project

3.2 Methodology

Existing literature review has been done before and after field data collection. The review included the program documents (planning, baseline survey, implementation reports of both phases-RUFIP-I and RUFIP-II, evaluation report of RUFIP-I, etc.), journals, articles, books, etc. written in the field of financial inclusion and rural financial intermediation.

Mixed method of quantitative and qualitative data is collected from RUSACCO member households from four regions of Ethiopia (Oromia, Amhara, SNNP and Tigray). A total of 200 (two hundred) households or members of RUSACCOs and/or beneficiaries of the RUFIP-II have been interviewed in this study. Rural Saving and Credit Cooperatives (RUSACCOs) are targeted in this study from four regional states of Ethiopia- Oromia, Amhara, SNNP and Tigray. These four regional states are selected by purposive sampling. The researcher selected purposefully these four regional states with common agreement from the implementation organization – Development Bank of Ethiopia (DBE). From the regional states under study two saving and credit unions have selected from each regional state. One well performing and one poorly performing RUFIP-II member RUSACCO unions, based on the respective regional cooperative agency decisions and parameters. The well performing unions have chosen for the well performing RUSACCO from the member RUSACCOs and the poorly performing RUSACCO selected for the poorly performing from the RUSACCOs. The selected two (one well and one poorly performing) RUSACCOs from each of four regional states makes a total of eight RUSACCOs. Twenty-five member households are randomly selected in a simple random sampling from each of eight RUSACCOs from four regional states. Before random sampling, cooperative members list is remixed and listed

again in a way that does not follow any similarity in proximity, gender, education, leadership, etc.; so that it can avoid sampling biasness. Then the first sample is picked in a lottery method and the remaining are selected according to the sample fraction of 25 sample size out of the member households (25 divided by the number of members). In this way, the sample size has been 50 RUSACCO member households from each region and a total of 200 households from four regional states (Oromia, Amhara, SNNP and Tigray).

Key Informant Interviews (KIIs) are the other method used to gather data. KIIs are collected from regional cooperative promotion agencies, federal cooperative agency (FCA) and development Bank of Ethiopia (DBE). In addition to these, RUSACCOs' and unions' leaders have been part the KII. Semi-structured interview has been to understand the RUSACCOs and unions institutional functioning, loan funds accessed from RUFIP-II, their bylaws about loaning and saving, etc.

Result and Discussion

4.1 Characteristics of the Respondents

4.1.1 Respondent Gender and Regions

Two hundred households/RUSACCO members have been interviewed from the four regional states of Ethiopia. Regarding gender of the households interviewed, the data collected from simple randomly selected 200 households shows that 63% of the interviewees are males where as 37% of the 200s are females. According to the data, females were 64% from Oromia regional state; followed by SNNP and Tigray 34%, 30% respectively. The least was in Amhara 20% of the respondents were females. The higher percentage from Oromia region came from one of the RUSACCOs (Jabeenya RUSACCO in Ambo, Ethiopia) where most of the member households are females (91.94% are female members). The details of respondents' gender and regions are shown in table 2 below.

Table 2: Respondent Households by Gender and Region

Region	Sex					Total
	Female		Male			
	N	%	N	%	N	%
Oromia	32	64%	18	36%	50	100%
Amhara	10	20%	40	80%	50	100%
SNNP	17	34%	33	66%	50	100%
Tigray	15	30%	35	70%	50	100%
Total	74	37%	126	63%	200	100%

Source: Household interview, February to April 2018

4.1.2 Family Size

The other character of the households is family size of the respondents. The total number of family members, including the respondents, in the sampled households are 1086 from which 510 are females and 576 males. The maximum family size was 13 whereas minimum is 1 and average family size has been 5.43. The details are shown in table 3 below.

Table 3: Respondents' family size

Sex	Total	Minimum	Maximum
Male	576	0	8
Female	510	0	6
Total	1086	1	13
Average	5.43		

Source: Household interview, February to April 2018

4.1.3 Age of the Households

Table 4 shows the minimum, maximum, mean and standard deviation of the respondents' age in year and by gender. The average age of male respondents is 40.85 whereas female respondents is 39.75 years. The mean age of total respondents is 40.45 years.

Table 4: Age of respondents

Gender	Minimum	Maximum	Mean	Std. Deviation	Valid N
Female	25	80	39.75	12.17	74
Male	18	92	40.85	13.74	126
Total	18	92	40.45	13.13	200

Source: Household interview, February to April 2018

According to the responses of households interviewed, 63.45% of the family members are at economically active age group which is 15-64 years of age but 36.55% are dependents, that is 34.34% are at the age of ≤ 14 years old and 2.21% are ≥ 65 years.

Table 5: Age distribution of sample household families

Age	Female		Male		Total	
	count	Percent	count	percent	count	percent
0-4	52	10.20%	49	8.51%	101	9.30%
5_9	60	11.76%	57	9.90%	117	10.77%
10_14	72	14.12%	83	14.41%	155	14.27%
15_19	62	12.16%	87	15.10%	149	13.72%
20_24	63	12.35%	51	8.85%	114	10.50%
25_29	42	8.24%	43	7.47%	85	7.83%
30_34	30	5.88%	41	7.12%	71	6.54%
35_39	43	8.43%	39	6.77%	82	7.55%
40_44	19	3.73%	40	6.94%	59	5.43%
45_49	24	4.71%	29	5.03%	53	4.88%
50_54	13	2.55%	17	2.95%	30	2.76%
55_59	12	2.35%	15	2.60%	27	2.49%
60_64	8	1.57%	11	1.91%	19	1.75%
65 and above	10	1.96%	14	2.43%	24	2.21%
Total	510	100.01%	576	99.99%	1086	100.00%

Source: Household interview, February to April 2018

4.1.4 Status of Literacy

Concerning the literacy rate of the respondents' family members, the baseline data shows half of the household members excluding children less than seven years of age can read news papers and letters easily, 18% of the household members read news papers and letters with difficulty, 30.8% cannot read/unschooled and 1.4% not stated. In the other hand, the impact study household interview result shows 53.95% of the respondents' household members discounting children below seven years of age can read news papers and letters easily, 26.32% of the households read news papers and letters with difficulty, whereas 19.72% of the school aged household members cannot read or did not go to school.

The impact study data shows almost 4% increase in percentage of household members who can easily read news papers/letters when compared with the baseline data. There is almost 10% increase in the percentage of people who can read with difficulty and 11.08% decrease in the percentage of household members who cannot read or did not go to school. This shows a slight change (3.95%) in the percentage of the people who can easily read and better percentage decrease in the percentage of household members who cannot read or who did not go to school (from 29.8% in the baseline survey to 19.72% in the RUFIP-II socioeconomic impact household interview). The other portion which has shown better increase in the percentage of the household members is percentage of people who can read news papers and

letters with difficulty (8.32%). Generally, it shows there is impact in the literacy rate of the households and their household members. The details can be seen in table 6 below.

Table 6: Schooling of respondents' families

Gender	Baseline				Impact study		
	Easily read	Read with difficulty	Unschool ed/cann ot read	Not stated	Easily read	Read with difficulty	Unschool ed/cann ot read
Female	19.60%	9.30%	19.00%	0.50%	23.18%	14.08%	10.51%
Male	30.40%	8.70%	11.80%	0.90%	30.77%	12.24%	9.21%

Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.2 Access of Financial Services

4.2.1 RUSACCOs and Unions Accessed Loan from RUFIP-II

4.2.2 Unions Received Loan

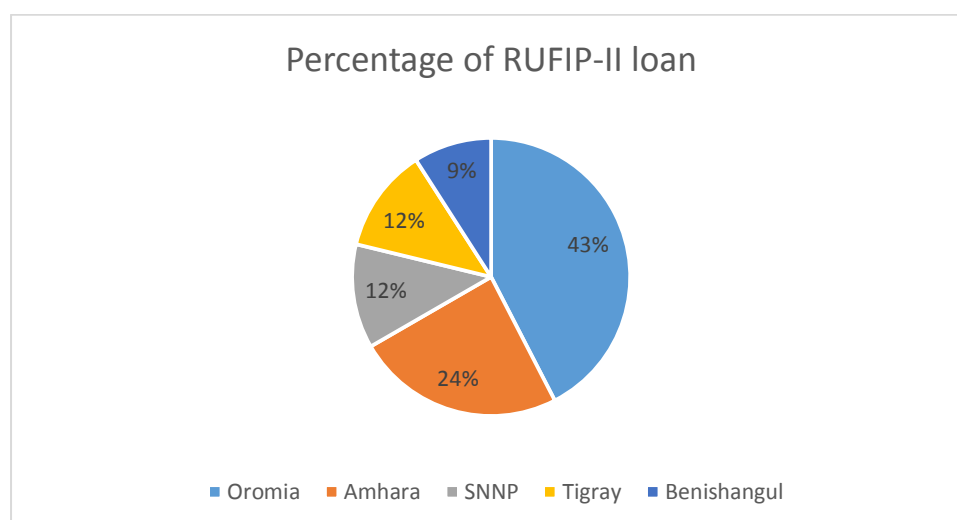
One of the main aims of RUFIP-II in the cooperative sector is strengthening and establishing operationally sustainable unions and RUSACCOs, thus the rural poor can get affordable and accessible financial services. In this regard, the program provides loanable funds for the member unions and RUSACCOs based on the set eligibility criterion. The loanable funds are repayable credits with an interest rate of six percent by RUFIP-II program for the member unions and RUSACCOs. Concerning the RUFIP-II loanable funds to unions, the data from Development Bank of Ethiopia (DBE)/implementer of RUFIP-II program shows thirty-three unions from five regional states (Oromia, Amhara, SNNP, Tigray and Benishangul Gumuz) have been eligible for the fund and received loan of total sum 96,646,773.01Etb (almost 3,551,879.09USD) from RUFIP-II budget. Fourteen RUSACCOs from Oromia regional state received 32,769,051.01 in Ethiopian birr (1,204,299.98USD), eight from Amhara took 44,000,131.00Etb (1,617,054.98USD), Four from SNNP 16,332,593Etb (600,241.41USD), Four from Tigray took 2,860,801Etb (195,137.70USD) and 3 from Benishangul Gumuz regional state took 684,197Etb (25,145.02USD) loan fund. The details are shown below in the table 7.

Table 7: Unions received RUFIP-II loan per regions

Region	No. of Unions received RUFIP-II loan fund	Mount of money
Oromia	14	3,27,69,051.01
Amhara	8	4,40,00,131.00
SNNP	4	1,63,32,593.00
Tigray	4	28,60,801.00
Benishangul Gumuz	3	6,84,197.00

Source: Development Bank of Ethiopia (DBE), May 2018

Chart 1: RUFIP-II loan received by unions

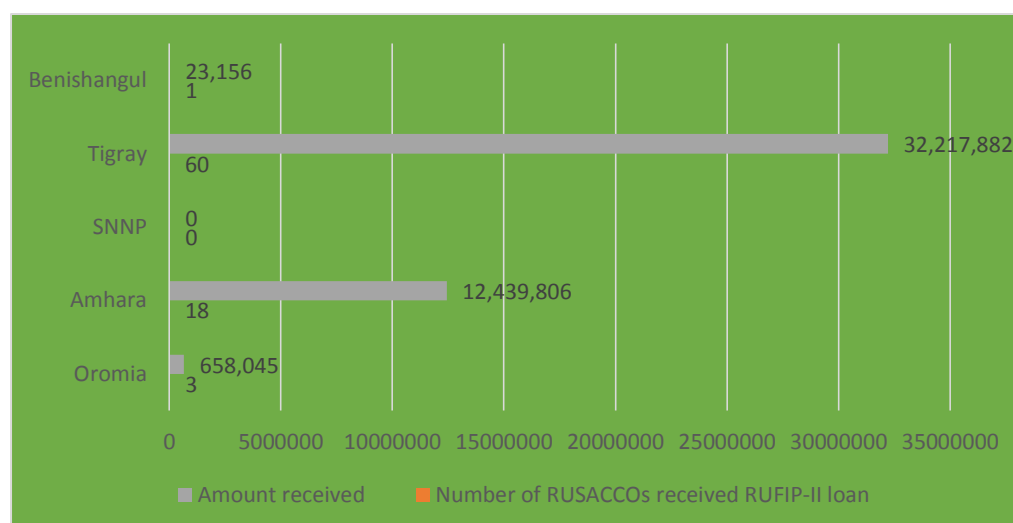


Source: Development Bank of Ethiopia (DBE), May 2018

4.2.3 RUSACCOs Received Loan from RUFIP-II

In addition to the RUSACCO unions, eighty-two Rural Saving and Credit Cooperatives (RUSACCOs) from four of the regions (Oromia, Amhara, Tigray and Benishangul Gumuz) received loans from RUFIP-II program through DBE. About 71.72% of the loan provided for RUSACCOs has been taken by 60 RUSACCOs from Tigray regional state, 26.70% by 18 RUSACCOs from Amhara, 1.52% by 3 RUSACCOs from Oromia and .05% taken 1 RUSACCO from Benishangul Gumuz regional state. Benishangul Gumuz regional state is not included in the field data collection. The details are given in the chart 2 below.

Chart 2: RUSACCOs received RUFIP-II loan



Source: Development Bank of Ethiopia (DBE), May 2018

4.2.4 Saving Per Household

Saving in-cash creates easy access to liquid cash and reduces risk of price failure and death/theft. Most of times, rural households save in-kind savings (livestock, land, grain reserves, etc.) and often faces problem of illiquidity at times of crises. Therefore, availability of better financial services and in-cash savings reduces vulnerability of household asset depletion contingency (Inter-American Bank, 2001). Regarding in-cash saving, all households interviewed are saving in their respective RUSACCOs. This in long run helps in fostering saving behaviour in the member households. According to the responses, the minimum saving per household in both genders (females and males) is 300EtB (11USD), maximum saving for males is 120,000EtB (4,410.14USD) while maximum saving per female households is 55,000EtB (2,021.31USD). The mean saving for the total respondent households is 14,456.96EtB (531.31USD). About 26% of the households have saving amount above the arithmetic mean saving while 74% have less than the mean. The details are presented in the table 8 below.

Table 8: Household saving

Gender	Minimum	Maximum	Mean	Std. Deviation	Valid N
Female	300	55,000	7,076.23	11,141.5	74
Male	300	120,000	18,791.6	24,779.16	126
Total	300	1,20,000	14,456.96	21,526.06	200

Source: Household interview, February to April 2018

4.2.5 Credit Per Household

According to Mohinder and Monika (2007), the rural smallholders need credit for different reasons like household expenses, unexpected/emergency expenses, livelihood support or start-up/strengthening of an enterprise (Mohinder and Monika, 2007, p.57). Most of the respondents received loans for productive work. Some of purposes of the credits by the respondents include purchase of agricultural input, start-up of petty trade and starting on-farm investment (diary production, animal fattening, grain selling, etc.). The maximum loan amount per household is 400,000Etb (14,700.46USD), minimum loan is 0Etb and mean loan amount is 23,195.45Etb (852.46USD). About 15.5% (31) of respondents received a credit more than the arithmetic mean of the loan and 84.45% of the respondents took loan amount less than the mean. Table 9 below has the details.

Table 9: Household credit

Gender	Minimum	Maximum	Mean	Std. Deviation	Valid N
Female	0	200,000	12,235	30,280.29	74
Male	0	400,000	29,632.54	65,552.09	126
Total	0	400,000	23,195.45	55,735.32	200

Source: Household interview, February to April 2018

About 61.88% of the respondents who took loan are males and 38.12% are females. The minimum loan received is 1900Etb for females but 1500 for males, maximum being 400,000Etb for males whereas 200,000Etb for females. The statistics is shown in table 10 below.

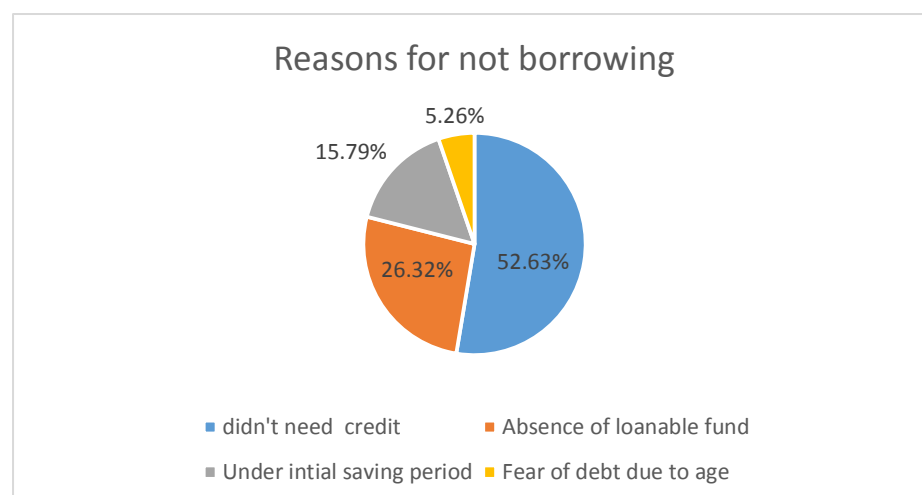
Table 10: Descriptive statistics of debtors

Gender	Minimum	Maximum	Mean	Std. Deviation	Valid N
Female	1900	200000	13121.59	31185.09	69
Male	1500	400000	33336.61	68661.9	112
Total	1500	4,00,000	25630.33	58065.24	181

Source: Household interview, February to April 2018

From the total respondents 9.5% have not received loan for different reasons; the first reason being did not need credit 52.63% of non-debtors, absence of loanable fund in the RUSACCO account 26.32%, under initial saving period according to the RUSACCO bylaw 15.79% (6 months of saving before credit) and fear of debt due age 5.26% (one woman of 55 years old said “fearing debt due to age”). The details are presented in the pie chart below (Chart 3).

Chart 3: Reasons for not borrowing



Source: Household interview, February to April 2018

4.3 Improved Infrastructure

4.3.1 Housing condition

4.3.1.1 Housing floor type

The housing condition of the household reflects the socioeconomic situation of the household. It has again effects on the health and welfare of the family members. Regarding this most of the respondents described that their houses are made of natural floor (soil/sand) counting for 75.5%; in the baseline survey, the percentage of respondents who have natural floor were 87.5% (ITAB Consult PLC, 2014). Households of rudimentary floor (timber/bamboo) accounts for 4.5% and completed floor (Carpet/cement) for 20% of the respondents. The details are presented in table 11 below. In the baseline survey, the rudimentary floor was 3.5% and finished floor was 9.1%.

Table 11: Housing condition of the respondents

Material	Baseline	Impact
	Percent	Percent
Carpet	0.00%	0.50%
Cement	9.10%	19.50%
Timber/Bamboo	3.40%	4.50%
Soil/Sand	87.50%	75.50%
Total	100.00%	100.00%

Source: Baseline Survey, March to April 2014 and Household interview, February to April

4.3.1.2 Number of bedrooms

Concerning the number of bed/sleeping rooms, 53% of the respondents are owning four or more than four bed rooms, 19.5% own three rooms, 13.5% own two rooms and 3.5% own one room where as 10.5% own no room at all- they are living in rental house. The baseline shows 3.3% owning four or more than four rooms, 8.4% owning 3 rooms, 30.4% owning 2 rooms and 52.2% owning 1 rooms while 5.7 did not own any room. The ownership of house

and the number of bed rooms indicates the economic situation of the owner. People own/construct their own house and have more rooms when their economy is in a better position- in the society it has also social prestige. There is high increase on the number of households owning four and more than four rooms. The baseline shows 52.2% of the respondents have one room and 3.3% of the respondents owned four and more four living rooms. Whereas the in the impact study 3.5% of the respondents own 1 room and 53% own four and more than four rooms. This displays there is 50% increase and 50% decrease in the percentage of households owning four/more than four rooms and one room respectively. The details are as shown in the table 12 below.

Table 12: Bed rooms

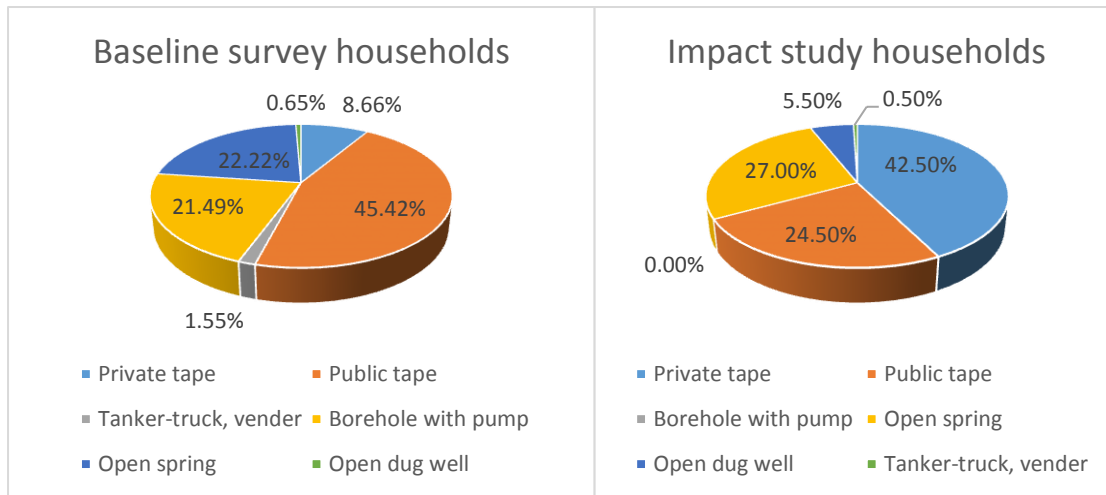
No of bed rooms	Baseline		Impact	
	No of respondents	Percent	No of respondents	Percent
0	68	5.7	21	10.5
1	628	52.2	7	3.5
2	366	30.4	27	13.5
3	101	8.4	39	19.5
≥4	40	3.3	106	53
	1203	100	200	100

Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.3.2 Drinking water sources

Safe drinking water is crucial for human health and wellbeing. Availability of sanitized and protected water sources is predominantly needed to access safe drinking water. According to the responses of the households participated in the impact survey, 94% of the respondents' family members have access to safe drinking water (i.e. private tape, public tape, borehole with pump) and the rest 6% of the respondents' family have no access to safe drinking water- they use water sources of open spring and open dug well. But the baseline survey indicates that 75.5% of the respondents had safe drinking water where as 24.5% had unsafe drinking water. The impact study shows 18.5% increases from the program baseline data of safe drinking water. Chart 4 shows the details.

Chart 4: Households drinking water sources

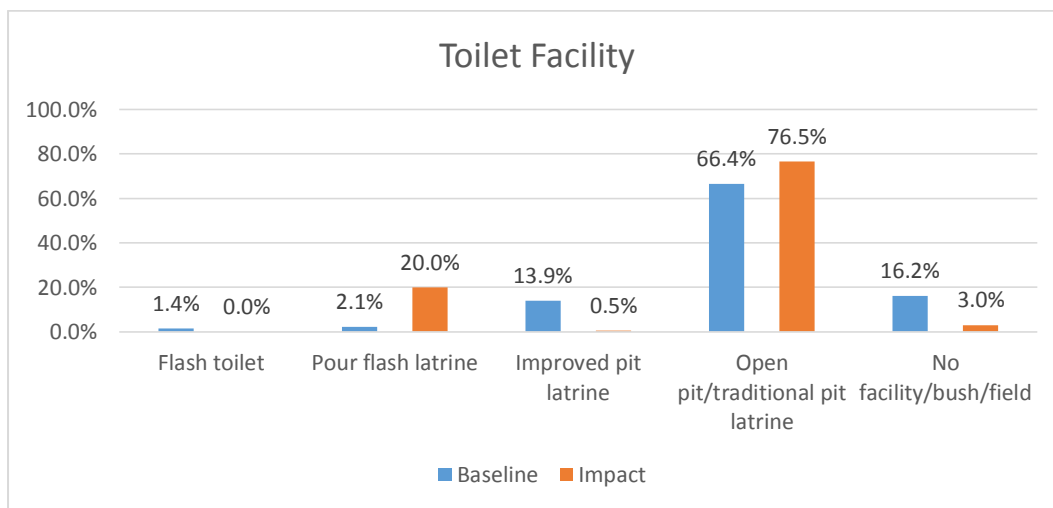


Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.3.3 Toilet Facility

Improved toilet facility has direct effect on health of the community. Open defecation and weak sanitation practices exposes individuals as well as wider community for disease. The findings of toilet facility in the interviewed community shows 76.5% of the households use open pit/traditional pit latrine which was 66.4% of the households in the baseline survey. Flash latrine users’ percentage has increased from 2.1% in the baseline study to 20% in the impact study. And percentage of households without toilet facility also decreased from 16.2% in the baseline to 3% in the baseline study.

Chart 5 Toilet facility of respondent households

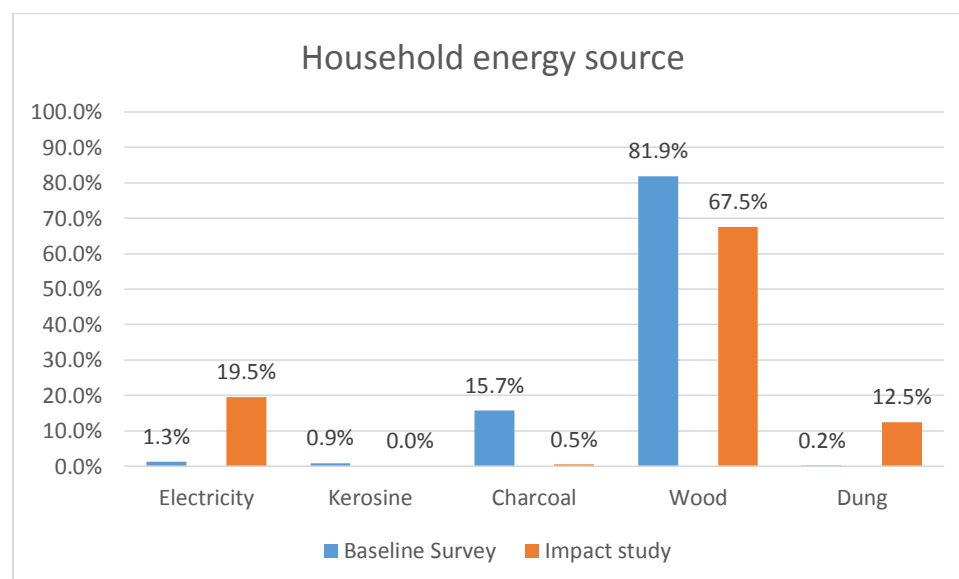


Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.3.4 Cooking fuel sources for the households

Charcoal and firewood preparation is one of major reasons for tree cutting which causes deforestation and environmental degradation. Use of firewood for cooking could lead to high level of indoor smoke which then causes respiratory and eye ailment. In regard to cooking fuel, above 80% of the respondent households use biomass (wood, dung and charcoal) for cooking their food and almost 20% of the respondents are using electricity.

Chart 6: Households energy source for cooking

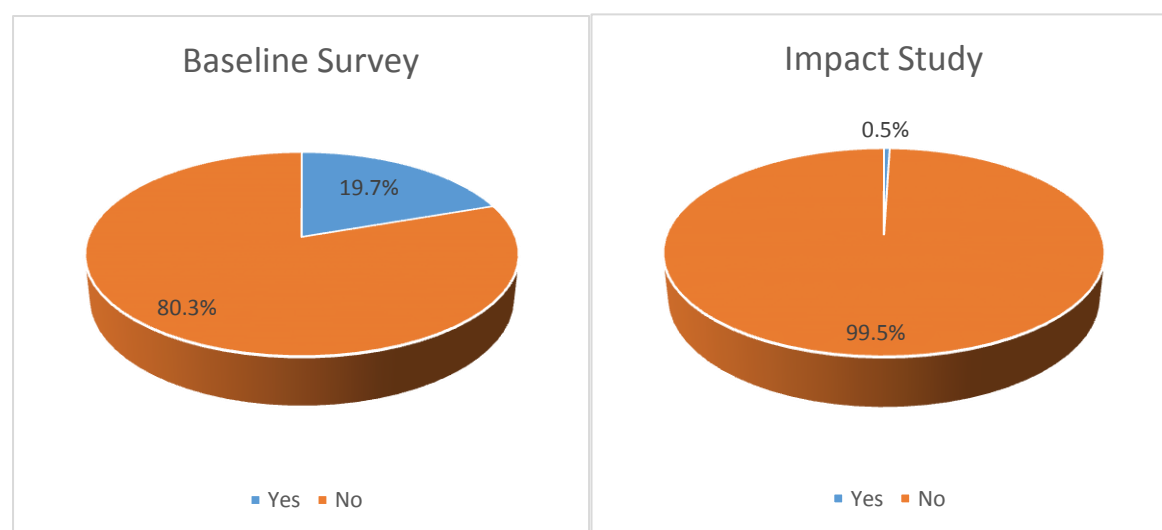


Source: Baseline Survey, March to April 2014 and Household interview, February to April

4.4 Food security

The baseline survey indicated 19.7% of the respondents experienced hunger whereas the impact study indicates that 0.5% of the respondents experienced hunger in the last 12 months. It is 19.2% decrease in the percentage of the respondents experienced hunger.

Chart 7: Household experience of hunger



Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.5 Asset possession/ownership

4.5.1 Non-productive asset ownership

Table 13 shows 87.5% of the respondents have access to electric connection, 53.5% have television, 36% own tape recorder, 28% are owning electrical stove/cooker and 1% of the respondents have ownership of grinding mill, water pump and weighing balance. Therefore, more than a quarter of the respondents own assets like electricity connection, television, tape recorder and electrical stove in the impact survey. According to the baseline data, 45% of respondents owned electricity, 44% owned radio, 21% owned tape recorder and the likes.

Table 13: Non-productive asset possession/ownership

Assets	Baseline Survey		Impact Study	
	HHs	Percent	HHs	Percent
Own Electricity	555	45.0%	175	87.5%
Electrical Stove			56	28.0%
Radio	538	44.0%	20	10.0%
Television	138	11.0%	107	53.5%
Tape recorder	260	21.0%	72	36.0%
Refrigerator	33	3.0%	28	14.0%
grinding mill	0	0.0%	2	1.0%
Water pump	0	0.0%	2	1.0%
Balance	0	0.0%	2	1.0%

Source: Baseline Survey, March to April 2014 and Household survey, February to April 2018

4.5.2 Ownership of transport related assets

Owning means of transport related assets shows also the economic welfare of the household in a community. Concerning this, the baseline data shows that 4% of the respondents owned transport related assets (Bicycle, motorbike and car/truck) whereas the impact study indicates that 9% of the respondents are owning means of transport like bicycle, motorcycle, 3-wheel vehicle, car/truck and horse cart as presented in table 14 below.

Table 14: Transport related asset ownership

Description	Baseline		Impact study	
	No. of household	Percent	No. of household	Percent
Bicycle	38	3.1%	7	3.5
Motorbike	8	0.7%	6	3
Bajaj (3 wheel vehicle)	0	0.0%	3	1.5
Car/truck	2	0.2%	2	1

Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.5.3 Ownership of Livestock

Ethiopian rural community rears livestock for animal products (milk, meat, egg, etc.), traction power, transport, social prestige, in kind saving, etc. Furthermore, it indicates the socioeconomic situation of the household. More than half of the households participated in this household interview own cattle, more than forty percent own sheep/goat and poultry and almost thirty percent are owning equines (horse, mule and donkey). Concerning the details, the following table (table 15) has the details of household's ownership, total number of livestock owned and average livestock number per households.

Table 15: Livestock ownership

Description	Baseline Survey		Impact study	
	No. of households	Percent	No. of households	Percent
Cattle	656	53.30%	113	56.50%
Sheep and goat	615	50.00%	91	45.50%
Poultry	613	49.80%	88	44.00%
Horse, mule donkey	327	26.60%	59	29.50%

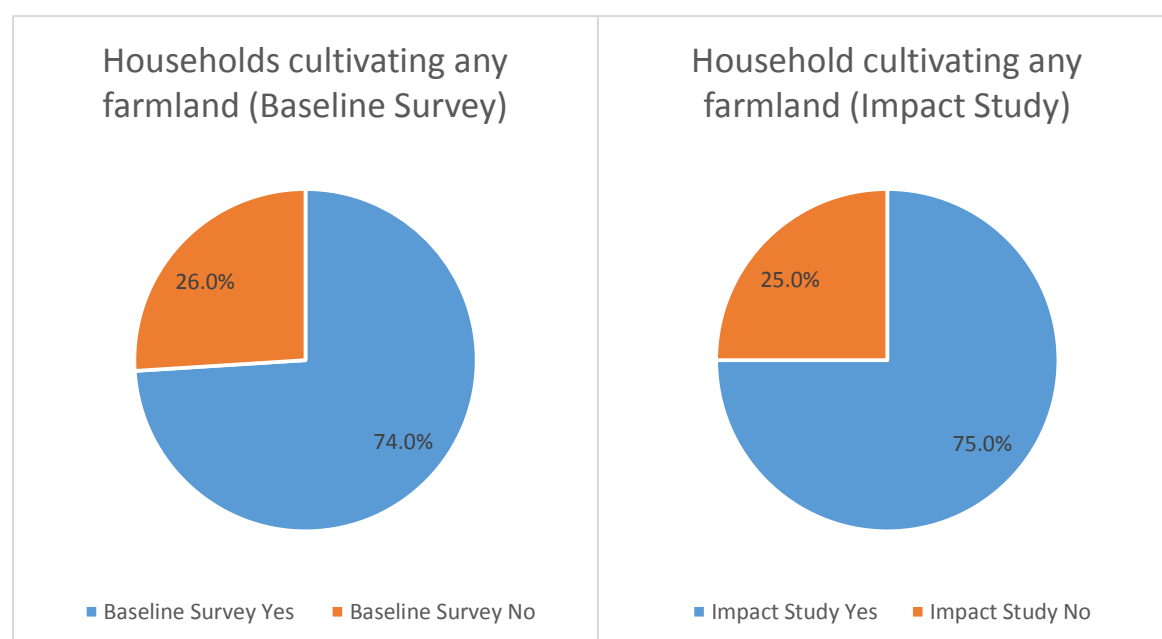
Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.6 Livelihood

4.6.1 Engagement in farming activities

The household interview indicates that 75% of the respondents are engaged in farming activities and 25% of the households are not participated in farming activities in the production year of 2016/2017 (Chart 8 below). Concerning the means used for farming, 83% of the households used animal drawn plough and 17% of the respondents used tools (hoe, spade, machete, etc. Table 16 provides the means of farming by the respondents.

Chart 8: Households involved in Cultivating any farmland



Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.6.1.1 Means of Farming

Table 16: Households by means of farming

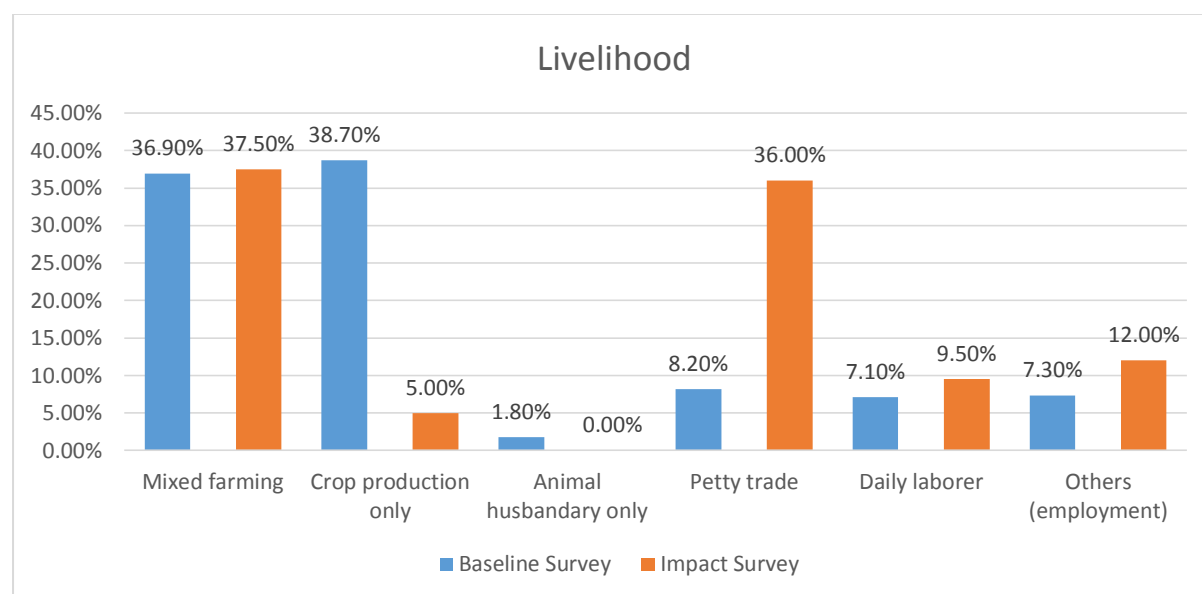
Item	Baseline Survey		Impact Study	
	Frequency	Percent	Frequency	Percent
Animal drawn plough	570	62.50%	125	83.0%
Hand tool	330	36.18%	25	17.0%
power tiller	9	0.99%	0	0.0%
Tractor	3	0.33%	0	0.0%
Total	912	100.00%	150	100.0%

Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.6.2 Major Livelihood

According to the baseline data, 38.7% of the respondents' major livelihood was crop production only, 37.5% mixed farming, 8.2% petty trade and 7.1% daily labour. In the other hand, the impact study indicated 37.5% mixed farming, 36% petty trade, 12.5% others/employment and 9.5% daily labour. Chart 9 below gives the details.

Chart 9: Major Livelihood

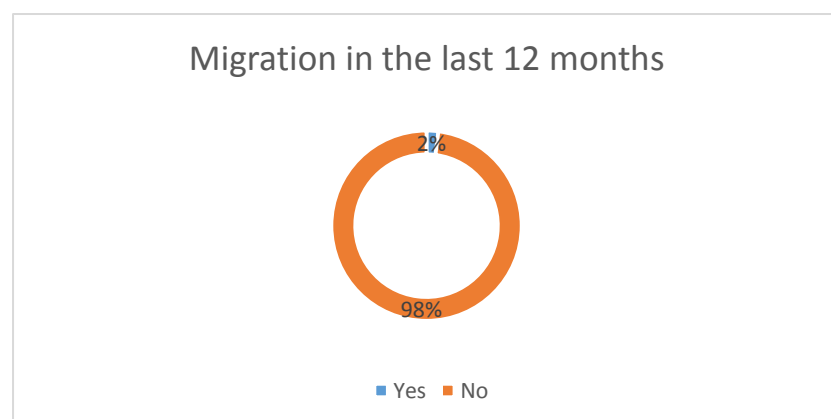


Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.6.3 Migration of households

As could be observed from chart 10 below, majority of the respondent households (98%), either themselves or member of their household, did not experience migration in the last 12 months (January to December 2017). But 2% of the households or their member households experienced migration in the last 12 months. Half the households who practiced in the last 12 months, reported that migration rate is moderately decreasing in their household members, quarter responded that migration rate is neither increasing nor decreasing and for the rest quarter migration rate highly decreasing.

Chart 10: Migration practice in the last 12 months



Source: Household interview, February to April 2018

4.7 Annual Income and Expenditure

4.7.1 Annual income from different sources

The average annual income of the respondent households for the year 2017/2018 is 23,877.16Etb and the largest income is from petty trade 50.33% followed by agricultural income 43.99%, employment 3.06%, off-farm incomes 1.58 and remittance 1.05%. The baseline survey data presented as agriculture 84.7%, off-farm 5.75%, petty trade 3.77%, employment 3.04%, remittance 1.56% and mining 1.17%. The average annual income has increased from birr 9,133.36Etb in the year 2012/2013 to 23,877.16Etb in the year 2017/2018. As could be observed from percentage of annual incomes, the annual income percentage of petty trade has increased in comparison with percentage in the baseline survey (3.77% to 50.33%) whereas agriculture income percentage has decreased from 84.7% (baseline survey) to 43.99% (impact study). The details are shown in table 17 below.

Table 17 Household income

Sources	Baseline Survey		Impact Study	
	Amount	Percent	Amount	Percent
Agriculture	12,804,660.38	84.7	10,492,475	43.99
employment	460,100.13	3.04	729,120	3.06
Off-farm	869,863.39	5.75	376,800	1.58
Petty trade	569,434.35	3.77	12,004,919	50.33
Remittance	235,549.83	1.56	249,972	1.05
Mining	177,210	1.17	0	0
Total	15,116,818.08	100	23,853,286	100

Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.7.2 Annual expenditure

The average expenditure of the households participated in the baseline was 4,544.66Etb (2012/2013) and in the impact study households is 26,915.28Etb (2017/2018). The annual expenditure percentage shows the larger portion of the expenditures is food expense 31% followed by agricultural activity expense 14%, medical 10.5%, social event 10.5%, education

expense 10% and tax 3%. The impact study shows 65.5% of households' annual expenses is for consumption (food, social events, tax and clothing) whereas 34.5% is for investment. In the baseline data, the consumption portion covered 69.5% and investment was 30.5%. This indicates that investment percentage has increased by 4% in the impact study as compared to the baseline. The details can be observed from table 18 below.

Table 18 Annual expenditure

	Baseline Survey	Impact Study
Type of expense	percent	Percent
Food	38.4	31
Agricultural activity	16.6	14
Social event	9.5	10.5
Tax	2.3	3
Medical	8.4	10.5
Educational	5.5	10
Clothing	19.2	21

Source: Baseline Survey, March to April 2014 and Household interview, February to April 2018

4.8 Size of RUSACCO Members

On the size of RUSACCO membership, there are two arguments taken by different researchers. In one side, larger size membership enables RUSACCOs to mobilize better amount of finance so that it helps to raise their capital bases and loan funds. It is believed that the primary source of RUSACCOs loan fund is finance pooled from their members though RUSACCOs could get loan and other fund supports from government and non-government organizations. Researchers argued that large size of membership have better growth opportunity and are resilient to members' financial hitches than RUSACCOs with smaller size of membership (Armendáriz de Aghion and Morduch, 2010; Adams, 1995). In the counter side, smaller size of membership and proximity is better for harmony and smooth communication via increasing enforcement capability. Small size and proximity is about members living together and understanding each other, and these social and economic friendships can help for effective enforcement (Guinnane T., 2001). Hence, RUSACCOs must make better choice in between these two arguments.

Concerning membership, the RUSACCOs participated in these study have the following member size; the largest being 1585 members and smaller size is 62 members (table 19).

Table 19: Size of members for sample RUSACCOs

Regional state	Name of Union	Name of RUSACCO	Female	Male	Total
Oromia	Waltane	Jabeenya	57	5	62
	Gudina Fana	Lay Kombolcha	22	41	63
Amhara	Soser	Bale egzer	55	261	316
	Ribi	Atsede Mariyam	87	384	471
SNNP	Netsanet Fana	Jole andegna	30	55	85
	Ejersa	Chalba	40	85	125
Tigray	Tsilal	Ende mariyam koror	603	982	1585
	Simiret	Selam	32	42	74

Source: RUSACCO interview, February to April 2018

4.9 Stakeholders opinions and observations on the program

4.9.1 RUSACCOs' and Unions' Leaders

In the field data collection leaders of RUSACCOs and Unions have been interviewed to understand their observations and opinions in the implementation of RUFIP-II. Generally, all the interviewed leaders of the RUSACCOs were excited and glad about the program. The credit opportunity created by RUFIP-II is appreciated by the leaders of the RUSACCOs and Unions leaders. All the interviewed leaders reported that the RUSACCOs new membership has increased due to the program intervention and frequent follow up from the respective government offices. They pointed out that the annual interest rate on credit is very manageable for the households as well as the RUSACCOs which is 6% per annum for the RUSACCO/union. The RUSACCOs and Unions provide credit for member households with annual interest rate ranging from 11% to 15% whereas Microfinance Institutions (MFIs) provide by annual interest rate of 17% to 19% plus application and insurance fees. When the households were comparing their RUSACCOs with MFIs, they used to say to pay interest for the RUSACCO is “keeping money from right pocket to left pocket” _ because they are the ones to get the collected interest as dividend at the end. In the other hand, they used to say paying interest for MFIs and banks is “paying/sending money out for somebody which will not comeback again.”

The complain is about the amount of loan fund provided to the RUSACCOS and unions. The RUSACCOs bylaw states that their member households can get credit of four to six times their saving amount but none of the RUSACCOs provided that amount of credit for member households due to absence of loanable fund. All the RUSACCOs and unions have shortage of loanable fund to satisfy the credit need of their member households.

4.9.2 Regional Cooperative Agency (RCA)

Regional Cooperative Agency (RCA) of all regional states has an implementing sector for RUFIP-II program and in some of regions, it is led by directorate director whereas in others led by RUFIP-II coordinator. The leading persons of RUFIP-II in each region

under the study were targeted for key informant interview (KII) as they are one of stakeholders of the program. Most of the interviewees reported the program had agreeable contribution for the successes and RUSACCO sector development in their regions.

For the question asked ‘What are the possible reasons for poor performance of RUSACCOs and Unions in the region?’, all the regional coordinators and directors replied limited/lack of awareness of the rural society on the importance of RUSACCOs which is due to limited budget for capacity building, non-frequent supervision and support, less attention for the sector and limited/lack of professional staffs in the sector.

Training and staff capacity building programs are not targeting directly the staffs of RUFIP-II in most of regional states participated in the study. Specially, the international study tours/visits are not participated by RUFIP-II teams rather political cabinets are the ones participate in the study tours in some of the regions.

Conclusion and Recommendation

6.1 Conclusion

This research study is conducted in four regional states of Ethiopia (Oromia, Amhara, SNNP and Tigray regions). These are four of the regional states where RUFIP-II is implemented in Ethiopia. The program is implemented through two institutional sectors in the country. One is Microfinance Institutions (MFIs) sector where RUFIP-II addresses through nationally registered MFIs via providing loanable fund for the MFIs. Major portion of the RUFIP-II loan funds are utilized by this sector. The second sector is the focus of this study which is cooperative/RUSACCOs sector. This particular study focussed on the cooperative sector of the program implementation and its socioeconomic impacts in the life of households. Therefore, the study focused on the socioeconomic impacts of RUFIP-II at household level in comparison with the baseline survey.

Actually the baseline survey of RUFIP-II has been conducted in eight regional states of Ethiopia which is including the regional states in this study and the other four. The impact included four regional states and involved 200 households interview from these regional states who are member of eight RUSACCOs and the then members of four unions in the regions, and eight RUSACCOS institutional interviews and key informant interviews (KIIs) from regional and national stakeholders.

Non-productive asset ownership has shown percentage increase of 11% to 42.5% from the baseline survey data except for radio ownership which has shown 34% decrease in percentage (table 12). This is due to recently communities limited interest in radio and increased passion towards television and tape recorder. Majority of the respondents used to explain that radio is old passion and rather it is time for television news. In the case of transport related assets, there is increase of 5% ownership in comparison with the baseline data. Livestock ownership has shown slight increase in the ownership percentage of cattle and equines (cattle 3.2% and equines 2.9% increase) but sheep and goat as well as poultry ownership percentage has shown a decrease of 4.5% and 5.4% respectively (table 14). This can be further studied if the minuscule increase/decrease in the ownership percentage of livestock has relationship with rangeland shortage. Apart from livestock ownership, the asset ownership and trends for non-productive asset building has resulted in increase of ownership

percentage compared with the baseline data. Transport related assets ownership has also recorded increase of households owning the asset.

Major livelihood of the respondents has indicated higher increase in petty trade followed by employment and daily labour and higher decrease/shift in crop production only. Other livelihood sectors did not record bigger change from the baseline data (chart 10). Migration is not a means of livelihood for 98% of the respondents, for the rest 2% of the respondents migrated in the last 12 months. This indicates prominently the communities in the research locality are not migrated for search search of job. In the other hand, the percentage of respondents practicing any farming has not shown any big change from the baseline survey to the impact study.

In regard to saving and investment, all of the RUSACCO members are in cash saving with their respective RUSACCOs and the debtors who received loan from RUSACCOs are investing in different types of businesses. Major investment areas where respondents involved include livestock fattening, agricultural investment/input purchase, petty trade and housing investments. The RUSACCOs' bylaws state that their members can receive a credit 4 to 6 times their saving deposit for investment but no any RUSACCO has provided that amount of loan for any of their members. The reason has been lack of enough loanable fund. Most of their clients interviewed have raised this issue in every RUSACCO interviewed. Smallholders could not invest more due to lack of finance.

All the RUSACCOs have female members in the management committee sites though the percentage seats held by females differs from RUSACCO to RUSACCO. The minimum percentage of board management seat is 14.29% and the maximum women participation in the management board is 85.71%. The maximum cash saving of female respondent households was 55000Eth (2020.57USD). The RUSACCOs are giving good/better ground of play for gender equality. The literacy rate indicated 3.95% increase in the percentage of household members who can easily read news papers/letters and 8.32% increase in percentage of embers who can news papers/letters with difficulty. In contrary, the percentage of household members who are not schooled decreased by 11.08% from the baseline survey data (table 6). Regarding health facilities, percentage of households accessing closed/safe drinking water sources increased by 18.5% of households and open drinking water source utilizers percentage decreased by equal percent (18.5%). In case of toilet facility, the

percentage of households with no toilet facility decreased by 13.2% (baseline 16.2% to impact 3%) (chart 6).

Besides the loan funds provided to the unions and RUSACCOs, the household needs for loans is much higher than the loanable funds of the cooperatives. To fulfil the households credit need, RUSACCOs and Unions have to either mobilize more saving from their members or get much loan funds from banks and other projects (like RUFIP-II). In this regard, it is better to work on creating more financial linkage of RUSACCOs and unions to other financial institutions such as banks and MFIs where they can additional funds to raise liquid capital. RUSACCOs and Unions linkage to formal financial system is one of final goals of RUFIP-II since it helps in creating financial inclusion for rural smallholders.

6.2 Recommendation

RUSACCOs level

- There should be saving mobilization to pool enough money to increase loan capital of the RUSACCOs
- Increasing membership and selling more shares for sustainability of the RUSACCO
- Creating more financial linkages with different financial institutions for sustainable fund supports

Regional Cooperative Agency (RCA) and Federal Cooperative Agency (FCA)

- Strong follow up and supervision is needed for the well functioning of RUSACCOs
- Frequent training, experience sharing visits and mentoring is must for the leaders and members
- Fostering saving behavior in the community
- Working on more financial linkage lines of RUSACCOs
- Building the capacity of staffs working with RUSACCOs (training, experience sharing, etc.)

Development Bank of Ethiopia (DBE) and IFAD

- Working closely with the respective bureaus (RCA & FCA) to build the capacity of RUSACCO leaders as well as staffs of the cooperative offices
- Rechecking the RUSACCO and Union eligibility criteria to receive RUFIP-II loan fund (because majority of the RUSACCOs could not access the fund except few)
- Increasing loanable fund for RUSACCOs so that member households access the loan amount needed

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Annex-1 Household interview Questionnaire

Household Questionnaire

Consent statement: Greetings to you. My name is _____ . I am conducting a research on socio-economic impacts of RUFIP II funded by IFAD and implemented by Development Bank of Ethiopia. Your responses are important for success of my research. Your participation is voluntary and you can choose not to give the interview. Confidentiality of your responses is secured.

Do you agree to give the interview? If the respondent agrees, the interview continues.

Date _____

1. Household profile questionnaires

1.1 Beneficiary/respondent name _____

1.2 Address:

Region _____ (1=Oromia 2=Amhara 3=SNNP 4=Tigray)

Zone _____ Woreda/District _____ Kebele/Locality _____

1.3 Family size _____

1.4 Marital status: 1=Single____ 2=Married____ 3=Divorced____
4=Widow/Widower_____

1.5 Family Name and size by age including respondent

SN	Family members' Name	Sex 1= Female 2= Male	A g e	Edu. level	Occupation 1= self-employed in agriculture 2=Self-employed in non farm 3=student 4=Daily labourer 5=salaried worker 6= domestic worker 7= unemployed 8=Retired	Relationship to the household head
1						hh head
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

2. Food related questionnaires

2.1 During the last seven days, for how many days were the following foods served in a main meal eaten by the household?

	Food (animal products)	No. of days
1	Chicken	
2	Mutton (Goat/Sheep)	
3	Beef	
4	Other (Specify)	

2.2 During the last seven days, how many days did a main meal consist of an inferior food only?

2.3 In the last 30 days, how many days did your household not have enough food to eat every day?

2.4 During the last 12 months, for how many months did your household have at least one day without enough food to eat?

3. Housing related questionnaires

3.1 How many rooms does your dwelling have? (including detached rooms in the same compound if for same household)

3.2 What is the type of roofing for the main house?

1=concrete 2=Brick 3=iron sheet 4=Stone or slate 5=Grass 6=plastic sheet

3.3 What type of exterior walls does the main house have?

1=Brick or stone cement plaster 2=Brick or stone with mud 3=Cement over Mud 4= Mud 5=iron sheet 6=Timber 7= Plastic sheets or branches or twigs

3.4 What is the type of floor for the main house?

1= Cement with bricks 2= Cement 3= wood or timber 4= soil or sand

3.5 What is the observed structural condition of the main house?

1= Sound structure 2= Needs major repairs 3= Seriously dilapidated

3.6 What is the electric city supply?

1= Own connection 2= Shared connection 3= No connection

3.7 What type of cooking fuel source is primarily used?

1= Electricity 2= Gas 3= Kerosene 4=Charcoal 5= Purchased wood 6= Collected wood 7= Dung

3.8 What is the source of drinking water?

1= Private tap 2= Public tap 3= Public well sealed with pump 4= Spring 5= rain water 6= Well in residence yard 7= Open public yard

3.9 What type of toilet facility is available?

1= flush toilet 2= pour flush latrine 3= Improved pit latrine 4= Traditional pit toilet 5=No facility or bush/field

4. Asset based questionnaires

4.1 Area of total land owned in ha: _____

4.2 Agriculture land in ha: _____

4.3 Number and value of selected assets owned by household

Asset type and code	Number	Estimated current value
Livestock		
1= Cattle		
2= Sheep and goat		
3= Poultry		

4= Horse, Mule and donkey		
Transport related assets		
5= Car		
6= Motorbike		
7= Bicycle		
8= Carts		
17=Bajaj (3wheel vehicle)		
Non-productive assets		
9= Electric or gas cooker		
10= Refrigerator		
11= Television		
12= Camera		
13=Tape recorder		
14= Radio		
15=Balance		
16=Grinding mill		
18=Water pump		

5. Access to Economic and social services questionnaires

5.1 Do you have access to grain milling services? 1=yes 2=no

5.2 How long is the nearest grain mill from your residence on foot (minutes/hours)? _____

5.3 Do all school aged boys go to school at present? 1= yes 2= no

5.4 Do all school aged girls go to school at present? 1=yes 2= no

5.5 How long does it take to reach the school on foot (Minutes/hours)? _____

5.6 How long do you travel to get to the nearest health institution? _____

5.7 If you presently have children less than 5 years, are they all vaccinated? 1= yes 2= no

5.8 Did any of children die due to illness during the last one year? 1= yes 2= no

5.9 How many working days were lost due to sickness during the last month?

5.10 Did you or any member of household fall sick of water/food -related disease during the last 1 month? 1= yes 2= no

5.11 Did you or any of member household suffer from diarrhea during the last month?

1= yes 2= no

6. Financial capital questionnaires

6.1 Did you ever have any individual or group saving in any institution including banks?

1=yes 2= no

6.2 If you have saving, which institution do you use?

1= Formal bank 2= Microfinance institutions 3= local saving and credit group

4= RUSACCO/cooperative 5= Eqqub/Iddir

5= other (specify) _____

6.3 If you have saving balance, what is the balance in your book as of today? Birr

6.4 Have you ever taken credit from any institution/relative during the last 12 months? 1= yes 2= no

6.5 If you ever received credit, from which of the following sources?

1= Formal bank 2= Microfinance institutions 3= local saving and credit group
 4= RUSACCO/cooperative 5= Eqqub/Iddir 6= government agencies 7= NGOs
 8= Moneylender 9= Friends/relatives

6.6 What was the amount of total credit taken calculated in cash during the last 12 months? Birr _____

6.7 If never you received credit, what is(are) the reason(s)?

1= Did not need any credit 2= Did not like group credit 3= Do not know where to get credit
 4= Interest and other costs are too high 5= Did not have collateral
 6= Fear of debt 7= Already heavily indebted 8= Borrowing process is difficult

7. Livelihood questionnaires

7.1 Are you or any member of your household involved in cultivating any farmland?

1= yes 2=no

7.2 What does your household use to cultivate most of your farmland?

1= Tractor 2= power tiller 3= Animal-drawn plow 4. Hand tool (Hoe/spade) 5. Other (Specify)_____

7.3 What is your major source of livelihood?

1= Mixed farming	
2= Crop production only	
3= Animal husbandry only	
4= Petty trade	
5= Daily laborer	
6= Other (Specify)	

7.4 Have you or any of your family members moved to other places to get a job in the last one year? 1= yes 2= no

7.5 How do you evaluate the migration rate in your family members?

1= Highly increasing from year to year 2= moderately increasing 3= Neither increasing nor decreasing 4= moderately decreasing 5= Highly decreasing

8. Annual Income questionnaires

8.1 What was the income of your household incomes each of the following agricultural sources during the last 12 months?

No	Income sources	Amount (Birr per annum)
1	Annual crops	
2	Perennial crops	
3	Livestock	
4	Animal products including honey	
5	Forest products	

8.2 What was the income of your household from each of the following non-agricultural sources during the last 12 months?

No	Income source	Amount (Birr per annum)
1	Petty trade	
2	Sales of handcrafts	
3	Wage employment of HH members	
4	Income from sales of labor	
5	Others (Specify)	

8.3 What are the income of your households from each of the following income transfer sources during the last 12 months?

No	Income source	Amount (Birr per annum)
1	Remittances	
2	Pension	
3	Gift from family	
4	Gifts from friends and neighbors	
5	Other (specify)	

8.4 What were the main household expenditure items and amount during the last 12 months?

No	Expenditure item	Amount (Birr per annum)
1	Food	
2	Human health	
3	Education	
4	House Maintenance	
5	Clothing	
6	Animal health	
7	Farm tools	
8	Farm inputs	
9	Transport	
10	Social and religious ceremonies	
11	Fodder for livestock	
12	Fuel/wood/Energy	
13	Taxes/payments	
14	Other (Specify)	

8.5 How much money do you owe to any of the following?

No	Expenditure item	Amount (Birr)
1	Financial institutions	
2	Money lender	
3	Shopkeeper	
4	Friends and family members	
5	Government agencies	
6	NGOs	

Annex-2 RUSACCO Questionnaires

RUSACCO Questionnaires

Consent statement: Greetings to you all. My name is _____ . I am conducting a research on socio-economic impacts of RUFIP II funded by IFAD and implemented by Development Bank of Ethiopia. Your responses are important for success of my research. Your participation is voluntary and you can choose not to give the interview. Confidentiality of your responses is secured. Do you agree to give the interview? If the respondents agree, the interview continues.

Date _____

I. General information

1. Address:

Region _____ (1=Oromia 2=Amhara 3=SNNP 4=Tigray)

Zone _____ Woreda/District _____ Kebele/Locality _____

2. Name of RUSACCO _____

a. Total members _____ Female _____ Male _____

3. Name of respondents:

1. _____ Position _____

2. _____ position _____

3. _____ position _____

4. _____ position _____

5. _____ position _____

II. Financial aspects

4. Amount of capital in birr as of June 30, 2009 Ethiopian fiscal year (EFY)

5. Amount of surplus/profit accumulated in birr for the year 2009 EFY

6. Amount of reserve allocated in birr according to their by-law

7. Amount of saving and number of savers for the fiscal year
 - a. Compulsory saving in birr _____
 - i. Total no. of savers _____
 - ii. Female _____
 - iii. Male _____
 - b. Voluntary saving in birr _____
 - i. Total no. of savers _____
 - ii. Female _____
 - iii. Male _____
 - c. Total saving in birr _____
 - i. Total no. of savers _____
 - ii. Female _____
 - iii. Male _____
8. What is interest rate on savings in %?
9. Amount of loan
 - a. Has your RUSACCO borrowed loan from RUFIP II after May 2012?
1= yes 2= no
 - i. If 'yes,' what is the amount in birr? _____
 - b. Amount of borrowings in birr from other sources, if any in the 2012 to 2018.

10. What is the total amount of loan in birr (6a+6b)? _____
11. What is the total amount of loan disbursed to the members in birr? _____
 - a. Interest rate on loans in percentage (%)?
 - b. Total number of member borrowers _____
 - i. Female _____
 - ii. Male _____
12. Amount of loan collected/repaid in birr during 2009 EFY?
13. What is the amount of outstanding loan portfolio of the RUSACCO?

III. Risk aspects

14. What is annual on-time loan recovery rate in percentage (%) as of June 30,2009 E.C.?

15. What is the portfolio rate at risk in percentage?

IV. Operational aspects

16. What is the number of new members joined your RUSACCO?

a. Female _____

b. Male _____

17. What are types of loan products provided to rural households by the RUSACCO?

SN.	Type of loan	Borrowers			Loan amount
		Female	Male	Total	
1					
2					
3					
4					
5					
6					

18. Has your RUSACCO made a profit as of June 30, 2017? 1= yes 2= no

a. Give reasons if the answer is 'no'

19. Is your RUSACCO audit up-to-date as of January 30, 2018 (after 6 months of your financial year)? 1= yes 2= no

a. If the answer is 'yes', has it been reported to general assembly?

V. Development aspects

20. Does your RUSACCO operational area cover the whole Kebele/village?

21. Efficiency of RUSACCO management system and governance

a. Is governance structure of your RUSACCO in place? 1= yes 2= no

b. Are the required staffs according to the structure fulfilled? 1= yes 2= no

- c. Is all the required management system in place? (required documents)?
22. Do women participate in the management committee of your RUSACCO?
1= yes 2= no
- a. If your answer is 'yes', state the number of women in the management committee
23. Are there complaints appealing mechanisms in place? 1= yes 2= no
- a. Do you receive complaints from your members? 1= yes 2= no
24. Has any training needs assessment done for the RUSACCO? 1= yes 2= no
25. Have trainings been provided to members and employed staffs? 1= yes 2= no
- If 'yes',
- a. Total number of trainees _____
- b. Female _____
- c. Male _____
26. Is there any experience sharing visit made by the RUSACCO during the financial year of 2017/2018? 1= yes 2= no
27. Is cooperative proclamation, manuals and guidelines for the promotions of RUSACCOs available at office? 1= yes 2= no
28. Are there any material supports made to your RUSACCO (office supplies, safe-box, computers, etc.) by RUFIP-II? 1= yes 2= no If 'yes',
- a. List the major ones, _____.
29. Have you prepared annual work plan and budget and submitted to the respective authorities timely? 1= yes 2= no
30. Have you prepared progress report and submitted to respective authority timely?
1= yes 2= no
31. Is your RUSACCO's loan and grant rate increasing?