

# **UMURENGE SACCO AS A TOOL FOR FINANCIAL INCLUSION A CASE STUDY OF NYARUGURU DISTRICT**

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## **ABSTRACT**

The purpose of this study entitled Umurenge Savings and Credit cooperatives ( SACCO) as a tool for financial inclusion in Rwanda (case study of Nyaruguru District ) was to investigate the factors affecting the financial inclusion of these Microfinance Finance Institutions (MFIs) adopted in 2009 by the government of Rwanda as an instrument for financial inclusion. The research used quantitative data analysis. The survey was selected because of its appropriateness in obtaining the required quantity of data in running quantitative analysis. The research tool was the questionnaire. The target population was the elected SACCO's leaders (Boards of Directors and supervisory committee members) of the 14 Umurenge SACCOs. Following the Rwandan cooperative law, there are for each SACCO, 7 members of Boards of Directors and 3 members of Supervisory Committee. The research used a probability sampling. The sample size was 90 elected leaders from 10 SACCOs. The researcher both used primary and secondary data collection method. The secondary information source included collection and analysis of data from report, published material and information from the Rwanda Cooperation Agency (RCA) and the National Bank of Rwanda (NBR). The researcher used descriptive analysis to study the distribution of the variables. The study makes the following key contributions to knowledge in addition to determining factors affecting the financial inclusion of Umurenge SACCO; First, a clear guidance to an innovative approach programme to implement national policies and strategies to achieve the MDGs and Vision 2020; which will facilitate the transformation of the current impoverished Rwanda to a middle income country and a financial services center in the region. Second, this analysis presented the findings of an innovative participatory consultation that can be used to directly underpin and inform any local financial inclusion initiative. Finally, this work showed that Umurenge SACCO can be an appropriate instrument for financial inclusion if the following key challenges are addressed :Strengthening SACCO management in terms of functions such as administration, governance and accountability; Ensuring that SACCOs have the facilities and equipment needed to facilitate their activities; Providing a broader base of products and services specifically designed to meet the needs of all SACCOs, members including the poorest of poor and Putting in place measures aimed at consumer protection.