



2014 and 2015 Nuru Ethiopia Financial Inclusion Baseline Report

Findings of the
Baseline Assessment and Analysis

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Executive Summary

The Nuru Ethiopia Financial Inclusion Program (NE FI) aims to improve the community's ability to cope with economic shocks by increasing access to and use of community-based financial services, improving management practices in financial literacy and numeracy skills and increasing and diversifying income. The Nuru Monitoring and Evaluation (M&E) team supports this work by annually evaluating the program to address: ***What is the impact of the Nuru Ethiopia Financial Inclusion Program?***

The following report presents the inaugural NE FI baseline, with the purpose of establishing comparability for future impact assessments. Specifically, the report compares baseline savings and loans behaviors, income generating activities (IGAs), access to financial institutions and the ability to cope with shocks across a sample of Nuru farmer households and a Non-Nuru comparison group.

Prior to NE FI launch in October 2014, NE M&E administered a baseline survey (Baseline 1) to 980 farmer households, which included 492 Non-Nuru households (Non-Nuru Baseline 1, or Non-Nuru B1) and 488 Nuru households (Nuru Baseline 1, or Nuru B1). In preparation to enroll new FI members in 2016, NE M&E also administered a baseline survey (Baseline 2) to 383 Nuru households (Nuru Baseline 2, or Nuru B2).

The initial findings from the two baseline surveys show that a majority of farmer households (more than 90 percent) in all three cohorts rely on non-financial savings mechanisms in the form of livestock (Table 1: Initial Findings). In regards to financial savings assets, most households do not save in cash. In order to cope with shocks, households either turn to family and friends or local moneylenders for a loan or sell or rent their assets. These data suggest that households employ less sustainable coping mechanisms in the event of an economic shock. In comparison with cash savings rates, households are more likely to have a loan and/or be involved in an off-farm IGA. While there are a few exceptions, a majority of households favor loans and IGAs over financial savings.

Table 1: Initial Findings

Initial findings	Indicator	Non-Nuru B1	Nuru B1	Nuru B2
Most farmer households do not save in cash	% of households who save in cash	4%	12%	8%
More than 90 percent of farmer households rely on non-financial savings in the form of livestock	% of households who own livestock	91%	94%	98%
To cope with shocks, more Nuru and Non-Nuru B1 farmer households turn to family and friends or local moneylenders for a loan	% of households who borrow from family, friends or local moneylenders to cope	44%	41%	37%
To cope with shocks, more Nuru B2 farmer households sell or rent their assets	% of households who sell or rent assets to cope	39%	35%	49%

To ensure future impact, Nuru M&E recommends the following:

1. As farmer households demonstrate a predisposition towards livestock ownership, NE FI should explore potential ways to incentivize savings, perhaps through livestock IGAs or other mechanisms identified by NE FI.
2. The baseline data also suggest that farmer households are more engaged in loans and IGAs as opposed to financial savings. That said, NE FI should consider exploring the barriers to financial savings via a tool like the Barrier Analysis and working with Nuru farmer households to overcome these obstacles. One suggestion is to leverage the pre-existing savings systems employed via the informal Iddir and Iqqub groups.
3. NE FI should monitor savings deposits, withdrawals, loans and income from IGAs at the individual level on a regular basis. This will allow self-reported annual impact data to be validated with financial data on actual savings and loans behavior.
4. NE M&E should ensure the FI evaluation survey training addresses data collection quality issues with improved explanations of the meaning of the questions and emphasis on reducing missing data points. In particular, as saving in cash is not a cultural norm, NE M&E should ensure that translations of questions about cash savings are framed to communicate the original intent.
5. NE M&E should reduce the length of the follow up survey to increase the number of farmer household responses to questions.

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Introduction

The Nuru Monitoring and Evaluation Program (M&E) produces useful and relevant information that can contribute to key decision-making about Nuru's programs (e.g., whether to continue, replicate and/or scale an intervention, etc.). With this focus on utilization at the center of its strategy, M&E works to objectively monitor and evaluate the performance and impact of Nuru's four impact programs—Agriculture, Financial Inclusion, Healthcare and Education.

In service to this approach, Nuru Ethiopia (NE) M&E administered a household level survey in April 2014 (Non-Nuru B1 and Nuru B1) and May 2015 (Nuru B2) to provide a baseline for the question: ***What is the impact of the Nuru Ethiopia Financial Inclusion Program on participating farmer households versus non-participating farmer households?*** This paper reviews M&E's approach to assessing the baseline for program impact and highlights the findings for farmer household savings, loans and coping mechanisms.

The Integrated Nuru Model

Nuru International is on a mission to end extreme poverty in remote, rural areas. Communities facing extreme poverty deal with fundamental challenges of hunger, an inability to cope with economic shocks, averting preventable disease and death and illiteracy. In Nuru's Kenya Project, Nuru has proven its ability to deliver lasting impact in these four areas and is currently positioning its model for global scale.

As a catalyst for sustainable development, Nuru's role is to identify nationals it can raise up as servant leaders and nation builders; remove barriers preventing them from realizing their full potential; equip them with skills, resources and attitudes to end extreme poverty in their region; and provide them with access to a reliable, market-based source of capital through Nuru Social Enterprises. By establishing locally led community development organizations funded through for-profit businesses, Nuru enables nationals to lift an entire region out of extreme poverty within seven years.

Nuru Ethiopia Financial Inclusion Program

Established through Nuru Ethiopia's participatory Program Planning Process, Financial Inclusion (FI) is a savings-led program with a primary objective of helping farmer households cope with mild to moderate economic shocks. The four core objectives of the Nuru Ethiopia Financial Inclusion Program (NE FI) are: 1) increased ability to cope with shocks; 2) improved savings behavior, financial literacy, and numeracy skills trainings; 3) gaining access to financial services; and 4)

increased income attributable to income generating activities (IGAs). NE FI plans to achieve its goal through providing Nuru farmer households with access to cost-effective, locally available savings and loan services, conducting community trainings in financial management skills, supporting business plan development and building the leadership capacity of cooperative leaders.

Working through the existing NE Agriculture cooperative structure, NE FI enrolls members from Nuru farmer households as “savers.” While NE Agriculture works to improve farmers’ harvests, NE FI encourages savers to contribute to a savings account and invest with money earned from selling the household yield surplus. At the start of the planting season, NE Agriculture provides each Nuru farmer household with an input loan via the cooperative along with extension services to enable farmers to increase crop yields. During the planting season, NE FI provides each Nuru farmer household with access to savings groups and monetary loans as well as training on money management. Following harvest, Nuru farmer households repay their agriculture loans and store yields to feed their families. Ultimately, in the event of an unexpected economic shock, access to financial services such as savings and loans enables Nuru farmer households to not liquidate productive assets or pay exorbitant interest rate to local moneylenders.

NE FI specifically targets wives in Nuru farmer households as savers as evidence demonstrates that providing women (rather than men) access to financial services leads to greater improvements in the family’s quality of life.¹ In order to encourage wives to save, NE FI offers financial management trainings to provide tools to plan and budget as well as manage savings and loans. Specifically, savings trainings emphasize the importance of savings and helps savers identify areas where they can cut unnecessary expenses. The overarching goal of the financial management trainings is to build up savings habits over time. In addition, loan trainings improve savers’ abilities to understand how to be responsible borrowers.

Nuru also creates access to financial services by way of a savings fund, which helps savers contribute to a savings account at their cooperative. This fund provides a safety net should savers face unexpected economic shocks. Savers also have access to loans, which they may use to bridge financial gaps or for additional IGAs.

The average potential income from farming alone in Boreda is too low to begin a meaningful savings scheme on the individual level. Therefore, NE FI chose to incorporate the income generating activity (IGA) component to encourage savers to begin new or additional farm and off-farm IGAs that could help Nuru farmer households diversify income sources, increase income so that they can contribute to their savings account in a meaningful way and also cope with unforeseen economic shocks. Overall, through a series of trainings as well as savings accounts and

¹ Fletschner, Diana and Lisa Kenney. “Rural women’s access to financial services: credit, savings and insurance.” The Food and Agriculture Organization of the United States. ESA Working Paper No. 11-17. <http://www.fao.org/3/a-am312e.pdf>

loans, NE FI aims to shift the behavior of savers from living for today to planning for tomorrow. By increasing savers' ability to cope with shocks, Nuru farmer households can continue to progress out of poverty over the long term.

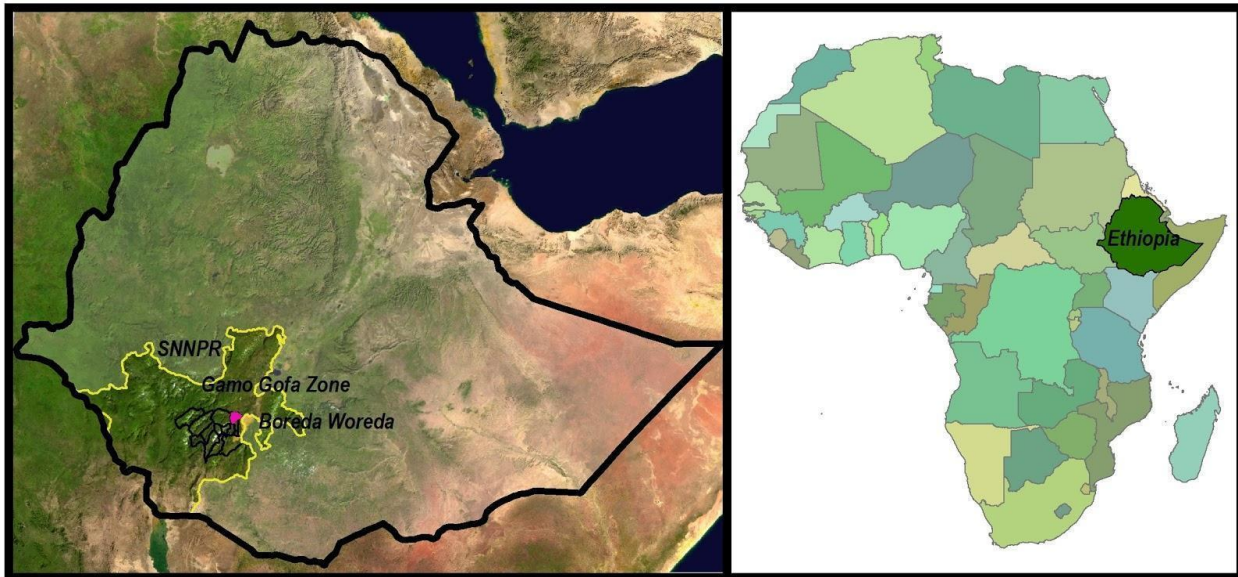
Methodology

The following section outlines the 2014 and 2015 methodology for assessing the baseline data collected during the NE FI surveys, which were administered in conjunction with the follow-up surveys for the Multidimensional Poverty Index (MPI) and NE Agriculture. Results from the MPI and NE Agriculture portions of the survey are reported separately.

Sampling Frame

In April 2014, a representative sample of Non-Nuru households² and a census of Nuru farmer households in Boreda Woreda were given the MPI, Agriculture and FI surveys (see Figure 1 below). In May 2015, NE M&E also baselined a representative sample of a future cohort of potential savers in Nuru farmer households for MPI, Agriculture and FI (Nuru B2).

Figure 1: Boreda Woreda, Gamo Gofa Zone, SNNPR, Ethiopia



² Nuru Ethiopia pays each Non-Nuru household 30 birr (\$1.50 USD) to compensate farmers for time away from their farming responsibilities.

The total number of farmer households surveyed in 2014 and 2015 are listed in Table 2. In total, NE M&E baselined 1,363 farmer households in 2014 and 2015: 492 Non-Nuru B1, 488 Nuru B1 and 383 Nuru B2.

Table 2: Sample Sizes for Baselines 1 and 2

Cohort	Sample (n)
Non-Nuru B1	492
Nuru B1	488
Nuru B2	383

Data Collection

At both baselines, NE M&E officers contracted 40 enumerators to collect the data in the field at baseline and supervised the data collection process. For Nuru B1 and B2, data were collected from farmer households who had previously received agricultural inputs through an NE Agriculture cooperative; while for Non-Nuru B1, M&E surveyed a representative sample of farmers.

To ensure the quality of the data analyzed in this report, NE M&E built a system of checks and balances into the data entry process whereby each individual survey was reviewed three separate times: during a process of checking, scoring and coding and then once again before final entry. Throughout the process, data entry managers highlighted collection errors so that field based supervisors could correct any mistakes the following day with enumerators. Moreover, in 2015 specifically, an additional round of quality checks were included once all data entry was completed, whereby NE M&E searched for and fixed logical inconsistencies and erroneous values in the data. Given the system employed by NE M&E, the 2015 season resulted in a reduced number of data quality issues relative to the 2014 season.

Timeline

The following table outlines the baseline survey timelines for the enumerator training and data collection schedules in 2014 and 2015.

Table 3: Baseline Survey Timeline

Activities	2014 Survey (B1)	2015 Survey (B2)
Enumerator Training	March 10 - March 13	April 13 - April 17
Data Collection	March 18 - April 7	May 4 - May 19
Data Entry and Quality Control	March 19 - April 15	May 5 - May 29

Analysis

In the following sections, the baseline results and analysis for the intervention and comparison groups answer the following principal questions: 1) are farmer households saving and using loans; and 2) do farmer households use savings and/or loans to cope with shocks. Furthermore, data presented on access to financial institutions and IGAs highlight the current financial landscape of farmer households in Boreda Woreda. M&E aggregated results by using frequency counts and, where applicable, performed a proportions' test for statistical significance on key variables from the FI baseline.

Findings: Savings

Encouraging savings habits represents a core part of NE FI's goal; thus, the baseline captured information about farmer households' current financial and non-financial savings habits to help track changes in savings behavior over time. In order to capture all possible savings mechanisms at the household level, NE M&E collected data on several different variables related to savings, including livestock ownership since households in rural areas tend to save via livestock rather than in cash or through financial institutions.³ First, farmer households were asked whether or not they saved in cash with the intention of understanding cash savings habits. Next, NE M&E asked whether or not farmer households had savings currently and if so, what types of savings. Besides cash kept in the home and bank accounts, some of the other savings options include: in-kind (such as jewelry or livestock); Iddir, which is a non-formal insurance group intended to mitigate emergency situations like the death of a household member, loss of livestock and other shocks⁴; and Iqqub or a non-

³ International Fund for Agriculture Development. "Rural Poverty Report 2001: The Challenge of Ending Rural Poverty." Chapter 3, Assets and the Rural Poor. <http://www.ifad.org/poverty/chapter3.pdf>

⁴ Aredo, Dejene. "The Iddir: An Informal Insurance Arrangement in Ethiopia." *Savings and Development Journal*, Vol. 34 (2010), No. 1, pp. 53-72.

formal rotating savings and credit association (ROSCA).⁵ Finally, livestock, another component of rural households' savings habits, was asked about in a separate question.

In response to the question about whether or not farmer households save in cash, most responded "no," that they did not save in cash. Table 4 highlights that both Nuru cohorts (12 percent of Nuru B1 and 8 percent of Nuru B2) save in cash statistically more in comparison with the Non-Nuru cohort (4 percent). While these data demonstrate that farmer households do not have strong cash savings habits, this does not discount the fact that other non-financial savings mechanisms (via livestock) are prevalent among all three cohorts as highlighted below. Other studies on rural Ethiopia show similar findings, whereby roughly 19 percent of the rural poor save in cash in comparison with 78 of the rural poor owning livestock.⁶

Table 4: Savings in Cash Summary

Variable	Non-Nuru B1	Nuru B1	Nuru B2
Save in cash	4%	12%	8%

Next, farmer households were asked specifically about livestock. In Table 5 below, the data demonstrate that farmer households across the various intervention and non-intervention groups display similar levels of savings when considering non-financial savings via livestock: 94 percent of Nuru B1 and 98 percent of Nuru B2 versus 91 percent of Non-Nuru B1 report owning livestock. The differences in percentages between the intervention and comparison groups are statistically significant. These data corroborate the fact that most rural populations have limited access to formal financial savings products and services and thus invest in non-financial savings. Relative to those farmer households who report saving in cash, as demonstrated by the data, livestock ownership is much more prevalent across both baselines.

Table 5: Livestock Summary

Variable	Non-Nuru B1	Nuru B1	Nuru B2
Have livestock?	91%	94%	98%

⁵ Aredo, Dejene. "Rotating Savings and Credit Associations: Characterizations with Particular Reference to the Ethiopian Iqqub." *Savings and Development Journal*, Vol. 28. (2004), No. 2 pp. 179-200.

⁶ Ali, Daniel Ayalew. "Household Responses to Shocks in Ethiopia." *The World Bank. Policy Research Working Paper 7244*. April 2015.

Findings: Coping with Shocks

Helping farmer households cope with economic shocks such as illness via savings and loans is another key part of FI. In general, the majority of farmer households report that they believe they cope well with an unexpected emergency or adverse situation: 73 percent of Non-Nuru B1, 61 percent of Nuru B1 and 70 percent of Nuru B2 feel that they are in a good position to deal with these challenges (Table 6). The 12 percent gap observed between Non-Nuru B1 and Nuru B1 cohorts for coping perceptions is statistically significant.

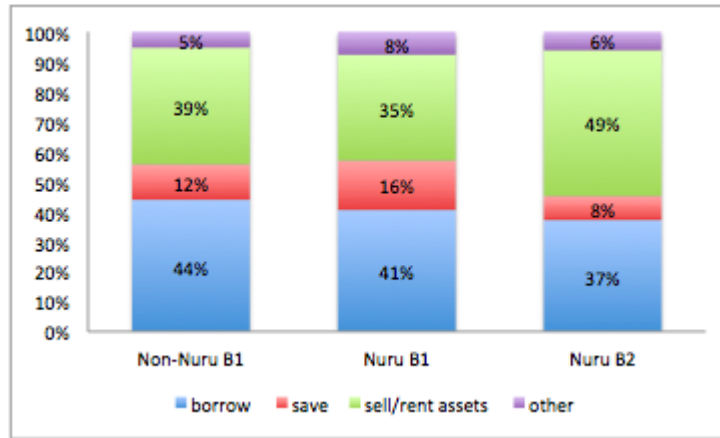
Table 6: Coping Summary Frequency

Variable	Non-Nuru B1	Nuru B1	Nuru B2
Coping perception	73%	61%	70%

When analyzing the mechanisms farmer households employ to deal with shocks, a different picture emerges: small percentages across all cohorts rely on savings, with Nuru B2 reporting the least reliance of savings to overcome economic shocks relative to the other two groups (Chart 1). Therefore, evidence suggests that while farmer households believe they cope well with emergencies, they are less likely to employ savings as a mechanism for mitigating adverse situations. Across the three cohorts, the majority of households borrow money (from family or friends or local moneylenders) or rent or sell assets to deal with shocks⁷: 35 percent of Nuru B1 and 49 percent of Nuru B2 in comparison with 39 percent of Non-Nuru B1 sell assets to handle an unexpected financial challenge; 41 percent of Nuru B1 and 37 percent of Nuru B2 relative to 44 percent of Non-Nuru B1 farmer households borrow money (informally) in the same situation. These data suggest that farmer households employ risky coping mechanisms to overcome an economic shock.

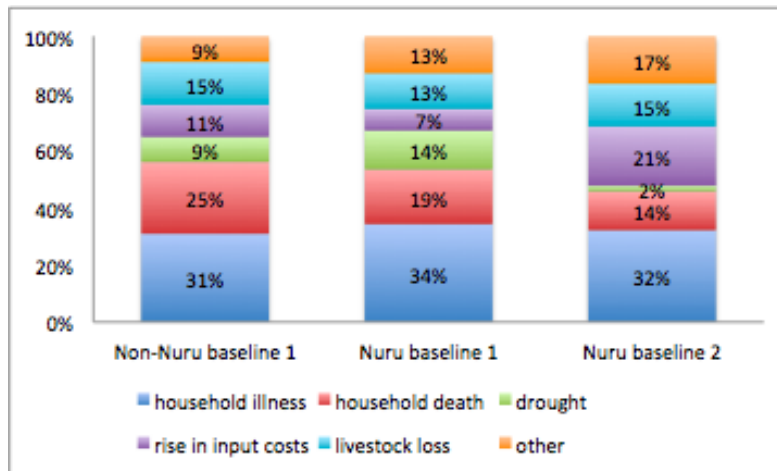
⁷ In Chart 1 “other” means reducing spending, finding another job, relying on the government or family and doing nothing.

Chart 1: Breakdown of Coping Mechanisms for All Shocks



The NE Agriculture baseline performed in conjunction with two FI baselines also delves into the question of coping with shocks (Chart 2). Across all three cohorts, household illness represents the top shock: Non-Nuru B1, 31 percent; Nuru B1, 34 percent; Nuru B2, 32 percent. For the Non-Nuru B1 and Nuru B1 cohorts, the death of a household member is the second most serious shock, with 19 percent and 25 percent of households having experienced the passing of a family member, respectively. However for Nuru B2, more farmer households reported a rise in input costs as the second most severe shock (21 percent). Livestock loss ranked third for Non-Nuru B1 households (15 percent) and Nuru B2 (15 percent) while drought held the same place for the Nuru B1 cohort (14 percent).⁸

Chart 2: Most Severe Shocks for Farmer Households⁹

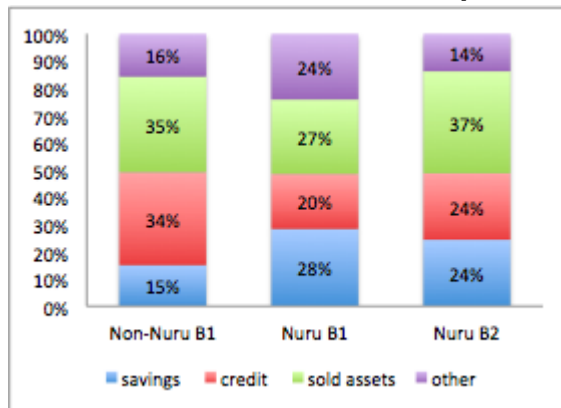


⁸ A detailed breakdown of the different shocks is available in Appendix B.

⁹ "Other" in this chart can mean job loss, floods, crop damage, a drop in food prices, a rise in food prices, fire, theft or other types of shocks. Even though "other" appears to be the third most significant shock for Nuru B2, it actually is a combination of the aforementioned shocks and thus cannot be classified as such.

Chart 3¹⁰ (below) highlights how households dealt with the most significant shock (household illness) for all three cohorts. To deal with this event, 35 percent of Non-Nuru B1 and 37 percent of Nuru B2 reported selling their assets. Nuru B1 were slightly more likely to rely on savings (28 percent) rather than selling their assets (27 percent).

Chart 3: How do Farmer Households Cope with Illness?



Findings: Access to Loans and IGAs

Loans:

As mentioned previously, the baseline surveys also gathered information about loans and IGAs. The data below (Table 7) show that relative to farmer households who currently save in cash (not including livestock), greater percentages have taken out loans in the past 12 months: 21 percent of Nuru B1 and 32 percent of Nuru B2 in comparison with 33 percent of Non-Nuru B1. Of farmer households who took out a loan, 9 percent of Nuru B1 and 18 percent of Nuru B2 versus 12 percent of Non-Nuru B1 used this loan to start an IGA. Medical emergencies, however, were the main reason that Non-Nuru (40 percent) and Nuru B1 (41 percent) took out a loan. Nuru B2 households took out a loan most often to buy agricultural inputs (29 percent).¹¹

Table 7: Percentage of Farmers with Loans

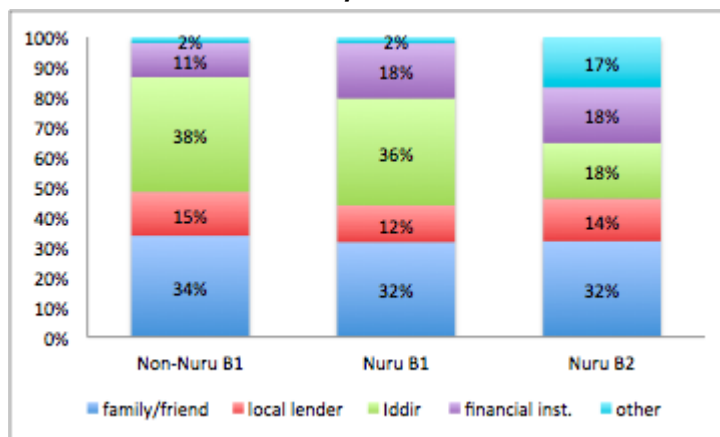
Variable	Non-Nuru B1	Nuru B1	Nuru B2
Loan	33%	21%	32%

¹⁰ "Other" in chart two combines the following categories for coping with shocks: relatives, government, NGO, changed eating habits, found new work, reduced healthcare or education expenses, sought spiritual consultation, Iddir and nothing.

¹¹ A detailed table is available in Appendix B.

In terms of the source of the loan (Chart 4), the majority of farmer households received their loan from either Iddir or family and friends. Non-Nuru households (36 percent) and Nuru B1 (38 percent) are more likely to rely on Iddir for a loan relative to Nuru B2 (18 percent). All three groups demonstrate similar dependence on family and friends for a loan (Non-Nuru B1, 34 percent; Nuru B1 and Nuru B2, 32 percent).¹²

Chart 4: Source of Loan, 2014 - 2015 Baseline Data



Income Generating Activities (IGAs):

Apart from farming, individuals from both the intervention and comparison groups rely on other means to generate income. With respect to off-farm IGAs, 39 percent of both Non-Nuru B1 and Nuru B1 and 43 percent of Nuru B2 responded that they are currently engaged in an off-farm IGA (Table 8).

Table 8: Summary of Off-Farm IGAs

Variable	Non-Nuru B1	Nuru B1	Nuru B2
IGA currently	39%	39%	43%

Based on the data in Table 9 below, the most popular IGA is dairy production for Non-Nuru B1 households (79 percent) and Nuru B2 (71 percent) while Nuru B1 farmer households report being most involved in petty trade (77 percent). The data also demonstrate that most farmer households are likely to have more than one IGA.

¹² A full breakdown of the loan sources is available in Appendix B

Table 9: IGA Types

IGAs	Non-Nuru B1	Nuru B1	Nuru B2
rearing chickens	61%	60%	57%
petty trade	54%	77%	63%
dairy production	79%	72%	71%
selling grain	55%	59%	48%
livestock fattening	56%	56%	55%

Findings: Access to Formal Rural Finance

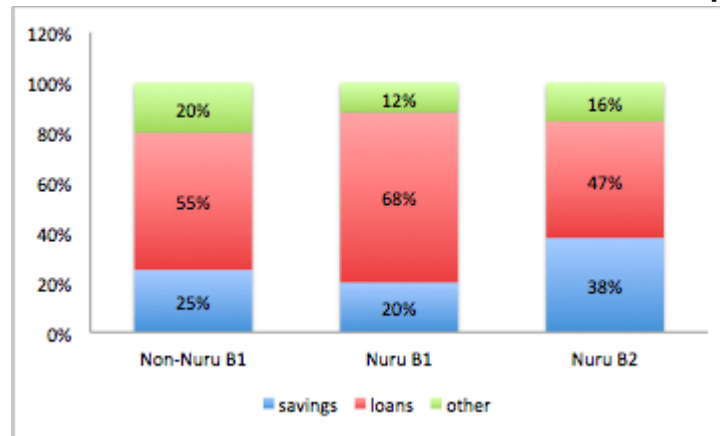
Another part of the NE FI baseline consisted of questions centered around farmer households' access to rural finance. In terms of access, Table 10 shows that most farmer households are currently not members of formal financial institutions: 6 percent of Nuru B1 and 12 percent of Nuru B2 versus 5 percent of Non-Nuru B1 belong to a financial institution. Amongst the small percentages farmer households who are members of formal financial institutions, 54 percent of Nuru B1 and 71 percent of Nuru B2 in comparison with 55 percent of Non-Nuru B1 report being part of a Microfinance Institution (MFI).

Table 10: Financial Institution Membership

Indicator	Non-Nuru B1	Nuru B1	Nuru B2
Financial Institution Membership	5%	6%	12%
MFI Members	55%	54%	71%

Moreover, in the same population of financial institution members in Chart 5, access to loans represents the primary reason for membership (Non-Nuru B1, 55 percent; Nuru B1, 68 percent; Nuru B2, 47 percent). Savings ranks as the second most common reason for membership followed by additional reasons such as training and social support.

Chart 5: Reason for Financial Institution Membership¹³



Limitations

Currently, several limitations exist for NE FI baselines. First, missing data points decreased the scope of the baseline assessment especially for Baseline 1. For example, when asked “Do you save in cash?”, 48 Non-Nuru B1 and 36 Nuru B1 surveys were left blank relative to 6 blank Nuru B2 surveys. That said, from the 2014 Baseline 1 to the 2015 Baseline 2, missing responses dropped significantly. This suggests that most data quality issues were related to enumerator and data entry clerk training rather than the survey itself.

Regardless, there are still cases in the data where results did not improve across years. For example, farmer households were asked whether or not they owned livestock and then asked in a separate question whether or not they had savings currently, including in-kind savings (such as livestock). In theory, similar numbers of affirmative responses should have been observed for both livestock ownership and in-kind savings; however, this was not the case as most farmer households reported that they had livestock rather than in-kind savings. The data from the latter question had to be discarded because of the logical inconsistencies between frequency counts.

Secondly, while NE M&E was able to gather self-reported household data related to FI’s goal via the baseline surveys, these results could not be validated with financial records of savings deposits, withdrawals, loans and income from IGAs. Moving forward, individual level financial data from NE FI savers will be needed to provide sufficient evidence of savings behavior, loans and income generation from IGAs for Nuru farmer households.

¹³ This chart is in reference to the 5 percent of Non-Nuru B1, the 6 percent of Nuru B1, and the 12 percent of Nuru B2 farmer households who are actually members of a financial institution.

Finally, as NE M&E continues to implement follow-up surveys to the same farmer households, survey fatigue is perceived to have a negative impact on data collection. At the termination of Baseline 2, many respondents expressed frustration at the length of the survey and the repetition of the questions. This will be important to address in the future as the integrated survey structure will include a Healthcare and Education component and the length of the survey will increase.

Conclusions and Recommendations

Based on the data points collected to date, both intervention and comparison groups are more engaged in loans and IGAs relative to financial savings. Small percentages of farmer households (less than 15 percent) across all cohorts reported saving in cash, whereas greater than 20 percent of farmer households have taken out a loan and above 35 percent currently have an off-farm IGA. Therefore, farmer households still rely heavily on non-financial savings in the form of livestock as above 90 percent in both the intervention and comparison areas own at least one kind of livestock. Recommendations for NE FI and M&E to consider as a result of these findings are as follows:

1. As farmer households demonstrate a predisposition towards livestock ownership, NE FI should explore potential ways to incentivize savings, perhaps through livestock IGAs or other mechanisms identified by NE FI.
2. The baseline data also suggest that farmer households are more engaged in loans and IGAs as opposed to financial savings. That said, NE FI should consider exploring the barriers to financial savings via a tool like the Barrier Analysis and working with Nuru farmer households to overcome these obstacles. One suggestion is to leverage the pre-existing savings systems employed via the informal Iddir and Iqub groups.
3. NE FI should monitor savings deposits, withdrawals, loans and income from IGAs at the individual level on a regular basis. This will allow self-reported annual impact data to be validated with financial data on actual savings and loans behavior.
4. NE M&E should ensure the FI evaluation survey training addresses data collection quality issues with improved explanations of the meaning of the questions and emphasis on reducing missing data points. In particular, as saving in cash is not a cultural norm, NE M&E should ensure that translations of questions about cash savings are framed to communicate the original intent.
5. NE M&E should reduce the length of the follow up survey and increase the number of farmer household responses to questions. At baseline, questions were asked various ways to test the most appropriate question. Moving forward, questions that were not included in this analysis will be dropped from the survey; furthermore, during follow-up surveys, demographic information of households should already be included on the survey itself and only updated by enumerators as needed.

Appendix A: FI Baseline Questions for Baselines 1 & 2

<i>Financial Inclusion Baseline Survey</i>																																					
35	<p style="text-align: center;">Now I'd like to learn about your ability to cope with economic shocks. This survey will ask questions about your income and saving practices.</p> <p style="text-align: center;">What are your sources of cash income?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Remittances (1)</td> <td style="width: 20%;">Sale of products for livestock (2)</td> <td style="width: 20%;">Sale of livestock (3)</td> <td style="width: 20%;">Sale of crops (4)</td> <td style="width: 20%;">Labor employment (5)</td> </tr> <tr> <td colspan="2">Self-employment/Small business: Products (6)</td> <td colspan="2">Self-employment/Small business: Services (7)</td> <td>Other:</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Remittances (1)	Sale of products for livestock (2)	Sale of livestock (3)	Sale of crops (4)	Labor employment (5)	Self-employment/Small business: Products (6)		Self-employment/Small business: Services (7)		Other:																										
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36	<p style="text-align: center;">What kind of livestock do you currently own? (If not on list, specify in the "other" category)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 30%;">Livestock</th> <th style="width: 20%;">How many?</th> <th style="width: 40%;">How often do you purchase per year?</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">36.1</td> <td style="text-align: center;">Cattle</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.2</td> <td style="text-align: center;">Sheep</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.3</td> <td style="text-align: center;">Goat</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.4</td> <td style="text-align: center;">Donkey</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.5</td> <td style="text-align: center;">Horse</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.6</td> <td style="text-align: center;">Mule</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.7</td> <td style="text-align: center;">Chickens</td> <td> </td> <td> </td> </tr> <tr> <td style="text-align: center;">36.8</td> <td style="text-align: center;">Other:</td> <td> </td> <td> </td> </tr> </tbody> </table>		Livestock	How many?	How often do you purchase per year?	36.1	Cattle			36.2	Sheep			36.3	Goat			36.4	Donkey			36.5	Horse			36.6	Mule			36.7	Chickens			36.8	Other:		
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37	<p style="text-align: center;">Do you currently belong to a financial institution?</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p style="margin: 0;">No (0)</p> </div> <p style="text-align: center;">Why not? After they answer, move on to 38</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">I do not need to participate in these programs (1)</td> <td style="width: 33%; text-align: center;">I do not know about these programs (2)</td> <td style="width: 33%; text-align: center;">I do not trust these programs (3)</td> </tr> </table>	I do not need to participate in these programs (1)	I do not know about these programs (2)	I do not trust these programs (3)																																	
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39		Do you currently have savings?															
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">No (0) Skip to 40</td> <td colspan="4"></td> </tr> </table>				No (0) Skip to 40											
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	39.3	Bank account																	
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	39.5	Iqqub																	
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40	<p>When was the last time you took out money from your savings? (<i>if in weeks or months, convert to days</i>)</p> <table border="1"> <tr> <td>Days</td> <td></td> </tr> </table> <p style="text-align: center;">Why?</p> <table border="1"> <tr> <td>To purchase food (1)</td> <td>To purchase non-food items (2)</td> <td>To purchase agricultural inputs (3)</td> </tr> <tr> <td>School fees (4)</td> <td>Medical emergency (5)</td> <td>Ceremonial expenses (6)</td> </tr> <tr> <td>To begin income generating activity (7)</td> <td>Other:</td> <td></td> </tr> </table>				Days		To purchase food (1)	To purchase non-food items (2)	To purchase agricultural inputs (3)	School fees (4)	Medical emergency (5)	Ceremonial expenses (6)	To begin income generating activity (7)	Other:					
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41	<p>How do you cope with your last emergency such as sickness, death of a family member, or crop failure?</p> <table border="1"> <tr> <td>Borrow money (1)</td> <td>Save money(2)</td> <td>Reduce expenditures (3)</td> <td>Sell or rent assets (4)</td> <td>Find work in other towns (5)</td> </tr> <tr> <td>Government compensation (6)</td> <td>Family gives money (7)</td> <td>Did not do anything (8)</td> <td colspan="2">Other</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				Borrow money (1)	Save money(2)	Reduce expenditures (3)	Sell or rent assets (4)	Find work in other towns (5)	Government compensation (6)	Family gives money (7)	Did not do anything (8)	Other						
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42	<p>Have you taken out a loan or borrowed money in the past 12 months?</p> <table border="1"> <tr> <td>No (0) Skip to 43</td> </tr> <tr> <td>Yes (1)</td> </tr> </table> <p style="text-align: center;">What is the loan for?</p> <table border="1"> <tr> <td>To purchase food (1)</td> <td>To purchase non-food items (2)</td> <td>To purchase agricultural inputs (3)</td> </tr> </table>				No (0) Skip to 43	Yes (1)	To purchase food (1)	To purchase non-food items (2)	To purchase agricultural inputs (3)										
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	School fees (4)	Medical emergency (5)	Ceremonial expenses (6)
	To begin income generating activity (7)	Other:	
	How much is the loan for?		
	Birr		
	Where did you get the loan from?		
	Family/Friend (1)	Local money lender (2)	Iddir (3)
	Financial institution:		Other
43	Do you feel you are in a good financial position to cope with unexpected emergencies, for example: a household illness?		
	No (0)	Yes (1)	
44	Are you engaged in any income generating activities other than farming?		
	No (0)		
	Why not? After they answer, skip to 45		
	I do not have enough money to begin an IGA (1)	I do not believe I need/have interest to start an IGA (2)	I do not have the experience to start an IGA (3)
	I do not have access to the market (4)	I do not have access to loans (5)	
	Yes (1)		
	What is your income generating activity?		
	Income Generating Activity	Is it profitable? (No: 0, Yes: 1)	Does this income allow you to save? (No: 0, Yes: 1)
44.1	Rear chickens		

	44.2	Petty trade			
	44.3	Dairy production			
	44.4	Store and sell grain			
	44.5	Live stock fattening			
	44.6	<i>Other:</i>			
	Where do you get the initial capital to start the above income generating activity?				
Personal savings (1)		Selling fixed assets (e.g. house assets) (2)	Borrowing from banks/MFI (3)		
Government supported programs/inputs (4)		Borrowing from family/friends (5)	Other		
45	Have you considered starting an off-farm income generating activity?				
	<input type="checkbox"/> No (0)				
	Why not?				
	I do not have enough money to begin an IGA (1)		I do not believe I need to/have interest to start an IGA (2)	I do not have the experience to start an IGA (3)	
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	<input type="checkbox"/> Yes (1)				

Appendix B: Additional Tables and Charts

Table 1: What are the top shocks you suffer from?

Shocks	Non-Nuru B1	Nuru B1	Nuru B2
household death	25%	19%	14%
household illness	31%	34%	32%
job loss	2%	3%	4%
drought	9%	14%	2%
floods	2%	1%	3%
crop damage	1%	4%	1%
drop in food prices	1%	0%	2%
rise in food prices	1%	2%	1%
rise in input costs	11%	7%	21%
livestock loss	15%	13%	15%
fire	2%	1%	2%
theft	1%	2%	2%

Table 2: If you are a member of a financial institution, which institution?

Options	Non-Nuru B1	Nuru B1	Nuru B2
Iddir	20%	15%	4%
MFI	55%	54%	71%
Peace	5%	12%	0%
SACCO	0%	8%	13%
Commercial Bank	10%	0%	2%
Other	10%	12%	9%

Table 3: Why did you take a loan?

Reasons	Non-Nuru B1	Nuru B1	Nuru B2
buy food	21%	12%	12%
buy non-food	9%	17%	8%
buy agriculture Inputs	6%	6%	29%
school fees	7%	12%	8%
medical emergency	40%	41%	24%
ceremony	3%	0%	1%
begin IGA	12%	9%	18%
other	1%	3%	0%

Table 4: What was the source of your loan?

Options	Non-Nuru B1	Nuru B1	Nuru B2
family/friend	34%	32%	32%
local lender	15%	12%	14%
Iddir	38%	36%	18%
government	1%	1%	12%
financial inst.	11%	18%	18%
other	1%	1%	5%