

The Rwanda MICROFINANCE MAGAZINE

NOT FOR SALE!

Sept 2016 Edition

"We feel very comfortable to host this summit, we are convinced that we have experience to share with other nations and learn from them at the same time"

Hon. Francois Kanimba

Rwanda feels honored and excited about hosting the SACCA Congress





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ACCESS TO FINANCE RWANDA (AFR) WAS LAUNCHED IN MARCH 2010 AT THE REQUEST OF THE GOVERNMENT OF RWANDA AND WITH SUPPORT FROM THE UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID) AND THE WORLD BANK. EXISTING FUNDERS OF AFR INCLUDE:



OVERALL GOAL AND APPROACH

The core objective of AFR is to stimulate the financial sector to remove systemic barriers which hinder access to financial services by putting the poor at the centre of its interventions in Rwanda. Improving access to financial services for the rural poor and women is a particular focus.

To ensure long-term sustainability and consistency of its achievements, AFR is guided by a Making Markets Work for the Poor (M4P) approach and supports the Government of Rwanda's development objectives and all interventions are aligned to the national policy frameworks including the Financial Sector Development Programme (FSDP) II and the Economic Development and Poverty Reduction Strategy (EDPRS).

PHASE I

During its phase I (2010-2015), AFR supported the most underserved sectors, persons and enterprises and has been instrumental in increasing the number of Rwandans using financial services. Phase I recorded tremendous success reaching 990,867 people of which 513,627 are women. Additionally 1,521,098 people (56% women) accessed and used financial services including savings, credit, insurance, payments, money transfer etc. This success was hinged on a collaborative effort with the Rwandan Government, Financial Services Providers, NGOs and development partners.

PHASE II

AFR has just launched its second phase with total funding of USD 32.9 million and USD 5 million from KFW for the Microfinance Challenge Fund commencing from 2016- 2020 to promote innovative and client centric financial solutions in Rwanda. This new phase will focus on the following key strategic areas:

STRATEGIC AREAS

1

Development of Savings and Credit Cooperatives (SACCOs)

2

Support access and usage of value chain finance by smallholder farmers engaged in maize, coffee, tea, dairy and Irish potatoes

3

Promotion of insurance and informal sector pension scheme

4

Promote Digital Financial Services and Innovation Fund including the micro finance challenge fund

5

Knowledge brokerage and market facilitation with focus to increase access and use of information and coordination within the financial sector.

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Institutional reputation: boosting the institution's

by Peter RWEMA

In the world of business, the term "Reputation" involves two business aspects: these are the reputation management and the reputational/ reputation risks. The two aspects are beyond the basic connotation of the "term"; looking at its simple meaning, the word 'reputation' means a widespread belief that someone or something has a particular characteristic. For business, when it comes to give impression or build a perception on a particular image of a given company, that is where the reputation management comes in.

In this context the "reputation management" implies the practices of attempting to shape the public perception of a company. In actual fact, these are the efforts and endeavors made by a company aiming at maintaining or creating a certain frame of mind regarding the business in the public eye. Thus, this involves the identification of what clients or other people are saying or feeling about your business or your services, before taking steps to ensure

that the general consensus is in line with the company's goals vis-à-vis the customer relations.

Since its establishment in 2007, AMIR has been striving for supporting its members: MFIs and SACCOs, to become more professional and sustainable institutions with effective management of customer relations.

In the crusade of becoming a strong and efficient organization that contributes to the development of microfinance industry through the promotion of transparent management system in MFIs, innovative and market led financial services and products; AMIR employed strategies that jointly and consultatively developed by members and partners.

In one way or another, the implementation of programmatic activities related to CoC (code of conduct) and CPP (client protection principles): Training of trainers, disseminating different and relevant IEC (information – education – communication) materials, developing monitoring tools,

CoC surveys, and coaching sessions; proved to be a strategic approach to build and cement the relationship between MFIs/ SACCOs and their clients; so as to protect the reputation of AMIR members and create a friendly and sustainable work environment across the sector.

Protecting the reputation of the sector in which we operate, should be "mutual responsibility" for AMIR secretariat and AMIR members. For the sake of AMIR members in general and the clients in particular, AMIR needs to double its efforts in monitoring to ensure that the activities aiming at client protection are being implemented effectively.

Thus, AMIR should focus on a few, practical factors that can be easily monitored, such as prevention of over-indebtedness, and mechanisms for complaints handling.

On the other hand, AMIR members need also to double their efforts in the management of customer relations, considering basically

A business paradigm for potentiality

the following customer relations principles: “A client is a king” – “a client is the company’s ambassador” – “a customer is moving company’s billboard”. The key for the success in this endeavor is the “Quality Customer Service”.

Quality customer service is the key element required for a successful business. Current business orientation is customer driven market, where competition is becoming stiffer day by day and critical deadlines are rife, one cannot think of business growth without exceptional customer service.

A number of organizations underestimate the importance of customer satisfaction, while laying the foundation of their business. They focus

on the quality of services, organizational infrastructure but often overlook the fact that it is consumers who can make or break a business.

Quality customer service can benefit your business in countless ways and by observing the importance of customer service you can take measures to provide your consumers with a positive experience.

The best way to promote your business products and services is word of mouth marketing. When customers receive satisfactory and quality services from an organization, they tend to discuss it in their social network, which leads to direct publicity and increased popularity of an organization.



Refresher training on quality service delivery & customer carer for AMIR members



AMIR

builds MFIs capacities, propels vibrant financial performance

The Association of Micro-Finance Institutions in Rwanda (AMIR) was created in June 2007 with 32 microfinance institutions and has since excelled, transforming into an institution with a vision of becoming a strong organization that contributes to development of the micro finance sector through promotion of transparent management systems, innovative and market-led financial services and products.



by Apolo Uwanziga

AMIR is legally recognized as a professional association by the Ministry of Public Service and Labor with a mission to offer diversified services to microfinance institutions, enabling them to work professionally and contribute towards national development and poverty reduction in a sustainable manner.

Membership is open to all Rwanda Microfinance Institutions (MFIs/SACCOs) that have been registered by the regulatory authority (the Central Bank of Rwanda). Members access information on good microfinance practices through workshops and trainings, to a database on microfinance institutions and on the advancement of the sector in general. They also have opportunities to exchange and share experiences with various stakeholders of the sector (local and international Microfinance Institutions, international networks, NGOs and donors).

Rwandans have developed due to utilization of formal microfinance institutions, says Peter Rwema, the executive director of AMIR.

The microfinance sub-sector is an integral component of Rwanda's financial system. The sector plays a critical role in driving financial inclusion (connecting the rural population and lower income groups to financial services). The size of MFIs relative to Rwanda's financial system is still small, but increasing. According to the BNR statistics, as of June 2015, its share in total assets was 6.3 percent, up from 5.6 percent in June 2014.

Generally, MFIs financial conditions improved in FY2014/15. Capital adequacy ratio (CAR) remains above the prudential limit, NPLs declined, although still above the prudential limit, profits of MFIs increased and; liquidity conditions continued to improve.

Considering the size of the population that needs microfinance services and the number of the microfinance institutions available (including SACCOs) one may affirm that the microfinance sector is doing the great job in satisfying the clients' needs across the country.

The most important thing to note here is that the

government of Rwanda is also playing a key role to address the issue analyzed as a major factor hindering the microfinance sector; for instance in 2008, the percentage of people saving with MFIs was 3%, thanks to the initiative of His Excellence the President of Rwanda during the National Dialogue meeting held in December 2008; the Government recommended the creation of at least one SACCO at the level of each Administrative Sector (UMURENGE).

On the other hand, it is also important to point out the supportive role that the Association of Microfinance Institutions in Rwanda is playing for the sake of the development of the sector.

Considering its mission and vision, as it strives to develop the microfinance industry, the Association employs different strategies aiming at basically advocating, supporting and speaking in favor of the sector. The microfinance week is among the strategies.



Rwanda Microfinance Week

Rwanda Microfinance week is a fundamental component of AMIR's advocacy and communication strategy; It is the best way of information exchange and sharing in the areas of best practices in social performance management. It brings on board all microfinance practitioners including MFIs and SACCOs members of AMIR, government institutions with a specific involvement of local government authorities.

Normally it is organized on annual basis with following specific objectives: Sharing AMIR achievements in professionalizing the microfinance sector in RWANDA – Acknowledging joint efforts of partners working towards supporting microfinance development in RWANDA – Raising awareness

of the existing advocacy issues that the microfinance practitioners encounter in their businesses.

This year, the Micro-Finance week was organized for the third time in the country by AMIR under the support and partnership of the Savings Banks Foundation for International Cooperation (SBFIC).

The week which kicked off on 14th June 2016 started with AMIR members, together with their partners, SBFIC, travelling around the country to meet with all MFIs/SACCO managers operating in different districts of Rwanda and also had the CEO round table.

AMIR and its partners met all micro-finance practitioners

across the country in different districts where they operate.

“ When many Rwandans save part of their money, financial institutions will be able to give loans and many people will do investments; but more emphasis is to see young Rwandans growing with the positive attitude of saving such that they can secure their future. ” says Rwema.

During the Micro-Finance week, four best performers were selected for their eloquent show of good performance. Umutanguha Finance, Letshego Ltd, Sacco Niboye and RIM Ltd were selected for the following criteria: staff retention, client's protection, social performance and product development.

Remembering genocide victims

AMIR member institutions through their corporate social responsibility during Rwanda Microfinance Week visited Kigali Genocide Memorial Center at Gisozi to pay

tribute to genocide victims and boost the culture of remembrance and commitment to Never Again.

Best performer speaks



Letshego Ltd was among the best performers in the area of staff retention.

Joel Uwizeye, the Letshego Chief Executive Officer says they always carry out trainings on customer services to make staff more skilled and involve staff in the process of planning and implementing strategies

that can take the institution to greater horizons.

“ Being a best performer means a lot to us. We always endeavor to retain staff through applying best human resource management practices.”

Uwizeye said, adding that

Letshego is committed to coming up with more innovations to financially support large numbers of people. ***“We shall soon be launching e-loans and e-education to enable easy access and convenience.”*** promises Uwizeye.

Microfinance Institutions performance

AMIR has been committed to its mission as evidenced in the statistical data of its achievements and indeed with the sector's growth as evidenced in the report of National Bank of Rwanda.

The Microfinance sector's assets grew by 31.1 per cent from Rwf159.3 billion in December 2014 to Rwf208.9 billion in December 2015. This increase is attributed to sharp increase in loans by 28.6 per cent.

As for Umurenge Sacco performance, 379 out of 416 UmurengeSaccos had reached their break-even point in terms of profitability by end December 2015.

Umurenge SACCO holds 48.3 per cent and 56.6 per cent of the total MFIs' assets and deposits respectively.

Between December 2014 and December 2015, U-SACCO assets grew by 39.5% from FRW 72.3 billion to FRW 100.9 billion

due to high increase in loans by 20.8% to FRW 32.3 billion end December 2015.

Statistics from Finscope 2016 show that, 57 per cent of Rwandan adults trust most Umurenge SACCOs with their savings, 27 per cent trust banks, 9 per cent and 4 per cent trust savings groups and mobile money respectively.



AMIR

is committed to create a conducive environment for youth to have access to microfinance services



AMIR in partnership with IPRC Kigali organized a one day workshop on writing excellent business project proposals.

In interview with media, Mr. Jean Pierre UWIZEYE the AMIR's

Senior Programs manager revealed that the reason why they partnered with IPRC in co-organizing such workshop, is that AMIR is a strong partner of the Government of Rwanda in the implementation of the

financial inclusion strategy as well as National Employment Program.

He further emphasized that AMIR has to ensure that the microfinance sector is serving

youth by enabling and facilitating youth to have access to finance.

This workshop was considered to be a supplementary phase to the Innovation Competition organized by IPRC. During this proposal writing competition IPRC has pre-selected 29 project proposals (applicants) the most attracting from IPRC's departments: Civil Engineering, Electrical Electronics & Telecommunication, Mechanical Engineering, Information and Communication Technology and Technical Secondary School (TSS).

The 29 project proposal applicants were then invited

for a one day workshop for them to have comprehensive guidelines on how to write excellent project proposals attracting and arousing financial institutions, sponsors and donors' attention.

The workshop participants were given an opportunity to learn from inspiring success stories of some self-employed TVET school graduates who thanks to microfinance services they received, managed to establish their own potential business.

Simon Pierre is one of the IPRC's graduates who inspired the workshop participants, by his success story. Sometimes back, he got little seed money from a microfinance

institution, but currently he is running a business whose capital worth 27 million.

Considering the views of students who attended the workshop, apparently, they are enthusiastically ready to start their own business, immediately after finishing their studies; which may imply that equipping these students with business skills, for AMIR, is like a "demand creation"

Mr. UWIZEYE promises that AMIR members will develop products which best suit the needs of these students. "Now we are preparing our MFI/SACCO to have proper products developed for youth graduates from TVET..." he declared





Financial Education and Enterprise development in IPRCs

AMIR's mission on implementation of Rwanda Financial Inclusion Program is not limited to the awareness campaigns and teaching people just to save (students) but rather equipping people with saving culture (especially youth), solve unemployment problem to the youth of Rwanda, and finally as a strategy to support job creation measures that will enable the growth and development of Rwandan Economy plus the

wellbeing of the population". The students who start their saving in primary schools, when they join vocational secondary schools will still need to be followed up and be well equipped with entrepreneurial and business planning skills. This will help them not misusing their savings but continue saving to start their small businesses after school (TVET).

We also have students who join the Vocational secondary

schools when they have not had about the knowledge of saving and working with financial institutions. That's why AMIR is extending its partnerships to IPRCs, by building saving culture and entrepreneurial skills to the students in IPRCs secondary schools, link them with financial institutions and BDF for the future access to loans and SMEs management.



Partnering with academic institutions:

a strategic approach for finding research-based sustainable solutions for microfinance sector

by Felicien H. Tuza

AMIR signed a partnership agreement with UTAB: the University of Technology and Arts of Byumba. The ultimate goal of establishing this kind of partnership between the two institutions was about establishing a link to foster cooperation for the development and implementation of collaborative programs.

During the MoU signing event which took place at AMIR headquarters, the representative of two institutions highlighted that the partnership will center on offering professional courses in different management sciences such as; Finance, Accounting, Economics,

Banking, Microfinance, Entrepreneurship and Investment; sharing guest lecturers and organizing public conferences on Microfinance and Entrepreneurship; collaborating in students' trainings (practices) through internships, study trips, and research projects; collaborating in the enhancement of personnel capacities of both UTAB and AMIR.

After signing this partnership agreement, both parties agreed on how to speed up the related activities for the beneficiaries to start profit from this partnership.

Looking at the MoU

content and pace on which the MoU's activities are being implemented, undoubtedly, the Rwanda microfinance sector, soon and very soon, will gain a lot, from this partnership and find sustainable solutions to the most challenges that the sector is currently encountering.

AMIR enthusiastically, wants to see its members benefiting from this partnership without any delay or interruption, and thus, AMIR has provided is supportive contribution by playing its role in effectively performing its duties.

Ten proposed research topics have been shared



with UTAB, and UTAB has already allocated these research topics to different students. The latter are on field conducting the research.

The research topics shared include the following:
(1) To what extent has governance improved the performance of MFIs/SACCOs; (2) Assessing the effects of Governance on

the sustainability of MFIs/SACCOs; (3) Analysis of Product development on reduction of non-performing loans; (4) Capacities of MFIs/SACCOs personnel in scaling up their profitability; (5) The role of social performance management in promoting efficiency and effectiveness of MFIs/SACCOs (6) Digital Finance: its impacts on financial inclusion; (7)

Evidence based study of Agriculture financing and its long term impacts on MFIs/SACCOs; (8) How has Cash based lending improved the performance of MFIs/SACCOs; (9) The role of financial education in addressing over indebtedness in MFIs; (10) Examining transparency on the effectiveness interest rates.





Dual Apprenticeship System – A crucial element to develop capacity in the Rwandan Microfinance Sector

by Claire Bentata



During the signing of the partnership memorandum of understanding

The Memorandum of Understanding between the Association of Microfinance Institutions in Rwanda, the Rwanda Institute of Cooperatives, Entrepreneurship and Microfinance and the Workforce Development Authority as well as SBFIC as the international development partner was signed. The ceremony was witnessed by the participating pilot microfinance institutions who will be qualifying their junior employees as well as new recruits with the unique combination of theoretical and on-the-job training in order to become certified 'Microfinance Specialists'. We are grateful to the Rwandan as well as the German Government for their support of the project. Both parties were represented by the Director of Banking and Non-Banking unit from the Rwandan Ministry of Finance and Economic Planning, Herbert Asimwe, and the Head of German Cooperation, Stefan Sckell, as guests of honour to the ceremony.

In order to foster their efforts in the professionalization of the Rwandan microfinance sector and to enhance the quality of human resources available to the sector, the Association of Microfinance Institutions in Rwanda (AMIR) and the Rwanda

Institute of Cooperatives, Entrepreneurship and Microfinance (RICEM) in partnership with the Savings Banks Foundation for international Cooperation (SBFIC), are establishing a pilot project for a Dual Apprenticeship System within

the Rwandan microfinance sector. Fostering skills development and capacity development in the private sector as well as developing core and technical skills for Rwanda's youth to be leveraged in the labour market feature



prominently among the numerous efforts of the Government of Rwanda (GoR) in transforming the country into a knowledge-based middle-income country, thus achieving its Vision 2020.

It is recognised as being a crucial prerequisite that Rwanda satisfy the growing demand for skilled labour by promoting and providing quality lifelong learning opportunities to its people.

This growing demand for skilled labour especially within junior members of staff in the Rwandan microfinance sector constitutes one of the key reasons for the implementation of a pilot capacity development project spearheaded by AMIR, RICEM and SBFIC, called the Dual Apprenticeship System.

This capacity development intervention explicitly targets new recruits within the sector (as well as junior members of staff) and aims at increasing their employability and skills level on the one hand as well as their employing institution's performance consequently on the other hand.

AMIR, RICEM and SBFIC, partnering with further crucial stakeholders of the Rwandan public and private sector, are launching the pilot project for the profile of 'Microfinance Specialist'.

The Dual System pilot will be implemented in two phases and is conducted in collaboration with a specific number of pilot microfinance institutions (MFIs) and savings and credit cooperatives (SACCOs) as crucial actors within Rwanda's financial sector. Each pilot institution will select one apprentice per

pilot phase to benefit from the combination of theoretical skills acquisition at a training academy with on-the-job learning within the MFIs, which is the pivotal qualifier inherent to the Dual System.

The Microfinance Specialist curriculum, which is currently being adjusted to the Rwandan context, serves as the foundation for the rotational scheme of theoretical and on-the-job training that the selected apprentices will be undergoing for the pilot's duration of 10 months. Pilot trainings will be offered after the completion of curriculum adjustment in 2016/ 2017.

Subject to the results of a final assessment of the pilot phase, regular trainings could be rolled out within the Rwandan microfinance sector as a whole starting from the beginning of 2018.

Dual system training





Rwanda

to host the 17th SACCA Congress

by Felicien H. Tuza

Rwanda through AMIR embraces the golden opportunity to host the 17th SACCA congress in October this year.

This was communicated by the ACCOSCA management in Kenya early this year.

The African Confederation of Cooperative Savings & Credit Associations, ACCOSCA in its acronym, is a Non-Governmental, Pan African confederation of national associations of savings and credit cooperatives societies.

ACCOSCA opened its doors in 1968 and is currently being governed by domicile laws and ACCOSCA constitution in Kenya.

The ACCOSCA General Assembly is held annually and is rotated within the region. It ensures that the

activities of ACCOSCA remain relevant in meeting the challenges faced by Africa. It is in this respect that a bold step was taken to approve the Confederation revitalization program at Malawi General assembly meeting in 2007

Currently ACCOSCA has developed programs aiming at improving social-economic needs of Africa through Savings and Credit Unions, partnering with various government bodies, development agencies and research institution so as to contribute towards mitigating challenges facing Africa in the twenty first century.

AMIR was appointed as the Hosting Institution in the first technical meeting held in Rwanda early this year at the Rwanda Cooperative Agency (RCA); though the hosting institution is supposed to play the key

and leading role in all of the related preparations, NCCR (the National Cooperatives Confederation of Rwanda) will also be playing a supportive role to ensure that the process of the event preparations is being implemented efficiently.

In the interview, Mr. George OMBADO the Chief executive Officer of ACCOSCA highlighted that hosting this Summit will be a kind of a "Returning point" for Rwandans: Rwandans will learn much from advanced countries as regards to financial inclusion and access – "... we are expecting to have many people across Africa and across the world, from better countries, to come and share their experience..." He emphasized.

The expected audience includes CEOs of small and medium Cooperatives



Financial Institutions/ Development focused banks; Senior managers of large Cooperatives Financial institutions and related private sector, SACCOs, Cooperative Board/Management Committees; Micro – Financial institutions and stakeholders promoting cooperative objectives; Senior Government agencies/officials and development partners; Officials working for Research institutions, Cooperative Universities

and Cooperative colleges.

Recently the AMIR communication department held an interview with the ACCOSACA team in charge of the preparations of the SACCA congress and the team reported that the preparations are being smoothly done but also they revealed that there are some challenges that they plan to overcome with the support from the local organizing team.

According to the SACCA team: There are confirmations from 24 countries and a total of 311 participants from across Africa and from countries outside Africa: i.e. Burundi, Ethiopia, Kenya, Uganda, Tanzania, Seychelles, Botswana, Lesotho, Malawi, South Africa, Swaziland, Zambia, Zimbabwe, Ghana, Liberia, Nigeria, Sierra Leone, The Gambia, Canada, Croatia, Germany, The Netherlands, Scotland, and USA.

Group discussion on code of conduct



Over-lending causes harm to both the client and the lending institution.

by Charity K. Uwase

All members of AMIR, irrespective of their legal form, are committed to the Code of Conduct, which is essential towards achieving our mission, and promote highest standards of ethics and professional excellence, to provide financial and non-financial services that benefit clients and members, in a manner that is ethical

and dignified, for the ultimate benefits of all fellow Rwandan citizens.

The AMIR CoC puts into consideration the seven client protection principles namely

1. **Appropriate product design and delivery**
2. **Prevention of over-indebtedness**
3. **Transparency**
4. **Responsible pricing**
5. **Fair and respectful treatment of clients**
6. **Privacy of client data**
7. **Mechanisms for complaint resolution**



The much emphasise were put on the principle number two (**Prevention of over-indebtedness**)

It was demonstrated by several researches that borrowers have a difficulty in realistically assessing their loan repayment capacity, and, therefore, tend to over-borrow. It is the responsibility of microfinance institutions to avoid taking advantage of this tendency to over-borrow.

practice, in a consistent manner. It is therefore important to ensure that all staff members are conversant with the processes, and familiar with the tools involved.

In a bid to disseminate good practices in the area of prevention of over-indebtedness, AMIR has developed a **training guide on Prevention of over-indebtedness and the borrower's repayment capacity assessment**

Group discussion on code of conduct



The most effective way of doing it is to put in place "credit processes that analyze client capacity to repay". The whole credit process should be designed with this in mind. Everyone in the institution has a role to play.

However, the processes are as good as the institution ability to put them into

tool which could be used by loan officers to analyze the repayment capacity of the loan applicant before loan disbursement, organized a three-day workshop, to disseminate AMIR Code of Conduct and Client Protection Principles, the guide and the tool, among the representatives of microfinance institutions in each district. Some other institutions have

expressed interest to participate, and the total number of participants reached **46 people from 46 institutions**.

It was a good idea to bring onboard all district representatives: at least now AMIR is sure to have at least one member who can help with the dissemination of the Code of Conduct.

The idea to bring the representatives onboard is even more appealing, as they deemed, by themselves, very important to make all loan officers understand the importance effective loan processes in preventing over-indebtedness, through decentralized (at district level) workshops, at no extra cost for AMIR

In total, 35 participants were reached by the coaching services on the assessment of borrower's repayment capacity: 8 loan officers from Rutsiro district, 14 loan officers from Nyamasheke district, 7 loan officers and 5 managers from Rusizi district 37% of participants were women.

Coaching Large MFIs and Master Coaches on prevention of over-indebtedness and use of borrower's repayment capacity assessment tool

Inappropriate designed products are also one of the causes of over-indebtedness to the Clients. Also, in bid to use available resources to reach more clients, and also create a pool of trainers that could be used for further coaching exercises on the prevention of over-indebtedness, AMIR has targeted high profile participants from large institution, who can

easily grasp the ins and outs of the borrower's repayment capacity assessment, and get quick tips on coaching, that they can use in the future to coach other staff from their own institutions and from other institutions if need be.

The coaching was provided to **19** people from **12** institutions (9) large microfinance institutions with a legal status of limited companies: RIM, Letshego, Atlantis, Umutanguha Finance, Sager Ganza, Goshen Finance, Vision Finance Company, Duterimbere IMF,

and AB Bank; 1 large cooperative: Umwalimu SACCO; and 2 capacity building organisations

The 10 microfinance institutions which participated in the session represent more than 60% of Rwanda microfinance market share. There is high probability that AMIR will reach the objective of preventing over-indebtedness in the largest chunk of the microfinance sector in Rwanda.



Small group discussion on the client protection principles

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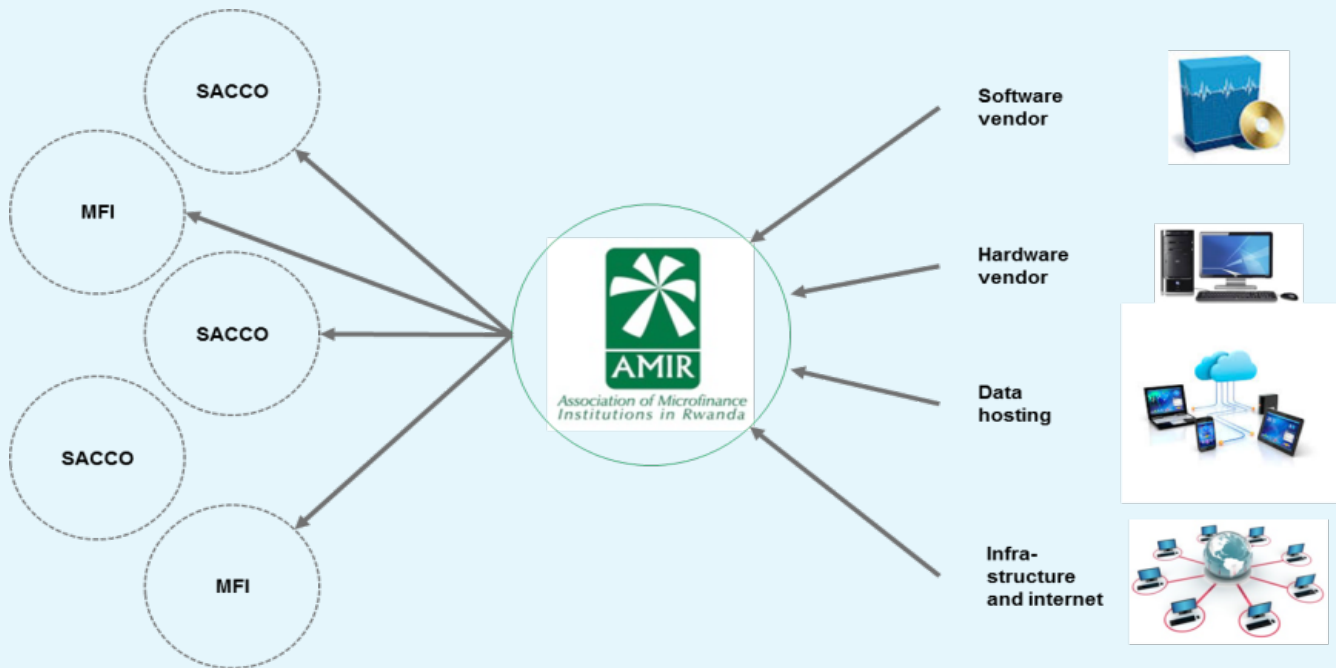
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Private Banking	Electronic Document Imaging
EMIS Reporting	Insurance Premium Financing
Archiving Module	Comprehensive Security Module
GL Ledger Module	Advance Business Loans Module
Online Help Feature	Invoice/Factoring & Discounting
Credit Scoring & Rating	Property Finance Module (Mortgages)
Data Conversion Module	LeaseHire Module
Fixed Assets Management	<i>(Financial Leases, Operating Leases)</i>

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Shared IT-Services are set to boost and transform the microfinance sector in Rwanda



by Felecién Hirwa T.

Microfinance Institutions (MFIs) have been at the forefront of poverty alleviation efforts around the world and in Rwanda particularly.

Of course, for MFIs to achieve this, they must properly employ some strategies;

some of these strategies - one may certainly bring up the information technology strategy. According to different and various reports and surveys, Information Technology can be a strategic tool for boosting microfinance services in Africa.

It can allow more efficient and effective collection, processing and use of data; it opens the door for microfinance institutions to offer new products and better customer service; it enables greater outreach; and it facilitates integration



Sector prospects

with the rest of the financial sector.

Rwanda is an ICT based country and it has good IT policies, it wants to use modern technologies to foster and achieve cashless economy as well as reaching financial inclusion goals which is attaining a rate of 90% by year 2020.

The IT infrastructure in Rwanda is well established and this is a good opportunity for the success of the shared MIS platform specifically in the microfinance sector.

AMIR, being a professional umbrella of microfinance institutions (MFIs), savings and credit cooperatives (SACCOs) strives to support its members to become professional and sustainable

institutions, through different services namely IT services par excellence.

In the general assembly of AMIR members which took place in December last year, AMIR members expressed their strong wish and thirst about technology services: shared IT platform composed of core banking system, hardware, connectivity, payment system and digital finance services; and this was like a “rocket booster” for AMIR to introduce its MIS project that it had been designing longtime ago.

The AMIR management told media that Rwanda Microfinance sector is well harmonized with sufficient microfinance policies, law and regulations. The shared MIS platform once going live with at least 70% of AMIR

members joining, will definitely set precedent in the region and Africa in general; making a proof to the entire world that Rwanda microfinance sector is digital, hence attracting investors to MFIs and SACCOs. Additionally, the management promised that there will be great benefits for all partners of the AMIR Shared IT-Services namely sustainable improvement of Rwanda's Microfinance Sector, and sustainable business opportunity.

On the other hand the microfinance practitioners have a feeling that this service will be an opportunity for: Automation of core banking and management procedures; Strengthening competitive ability in a long-term perspective; Reduction of IT –efforts; Improvement of



AMIR members attending a workshop on data cleaning and migration

data quality for accountancy; Improvement of security and fraud prevention because of automatic internal controls; Fulfillment of regulatory requirements through IT and automatic reports.

The pilot phase for this project kicked off on 1st June 2016; so far there are some important and tremendous achievements recorded, as it was revealed by the technical team in charge of the implementation of this project, we should note specifically:

- selection of the software vendor as a business partner of the AMIR Shared IT-Services
- 25 pilot institutions have been identified;
- Collection of basic data of AMIR members;
- Project MOU Signing workshop between AMIR and 25 identified MFIs/ SACCOs members, for taking part in the pilot phase;

Apart from the above achievements, AMIR recently conducted a workshop on data cleaning and migration for local SACCOs that are still using manual systems. The overall objective, according to the organizers of this workshop was to provide clear explanations related to requirements and procedures

for the data cleaning and migration process to be smoothly applied.

Considering the project projections, the pilot phase (1) targets 272,236 customers, and will reach a total target market of 400,000 customers in total in project phase (2), with the below electronic payment channels added to the platform:

- Agency Banking: 50% (200,000 customers)
- Mobile Money: 50% (200,000 customers)
- Mobile Banking: 30% (120,000 customers)
- ATM: 30% (120,000 members)

The shared IT platform is planned to go live by February 2017 and will bring a lot of benefits to the MFIs and SACCOs participating in the shared IT services:

At a Strategic Level:

- Institution can focus on its core business
- Strengthen the competitive ability of the institution in a long-term perspective
- Acquiring new clients and increasing incomes through e-channel-banking
- Efficiency through computerization of core banking and management

procedures

- No future investments in IT-infrastructure or e-channel integration necessary

At an Operational Level:

- Only 1 contact for all IT-issues reduces the management complexity
- Reduction of the IT-costs through better negotiating position
- Speed to market because of shared costs of IT-system development
- Regulatory compliance through technology and automatic reports
- Improvement of financial data accuracy for accounting and reporting
- Improvement of security and fraud prevention because of automatic internal controls



Umurenge

SACCOs

about to reach the next Level

AMIR, SBFIC support the Government program to further professionalize Umurenge SACCOs

by Thomas K.

Seven years after opening the first Umurenge SACCO, the next milestone has been set:

Various Government institutions, including MINECOFIN, MINICOM, MINALOC, BNR and RCA in collaboration with AMIR, the German Savings Banks Foundation for international Cooperation (SBFIC), the IT provider Fintech, the audit company GPO Partners, and others work at full speed on the

further professionalization of the Umurenge SACCO sector.

Umurenge SACCOs can look back on a tremendous success story. With more than 2 m members and deposits of 68.5 bn RWF they pushed up financial inclusion in Rwanda.

Despite of these achievements, challenges remain, such as a still comparably small loan book (total loans of 34.5 bn make up for 31,2% of the total assets only), a NPL ratio

of 12.5%, no connection to payment systems in most Umurenge SACCOs, a number of fraud cases in recent years, etc.

To professionalize the Umurenge SACCOs, various steps have been initiated. One important milestone will be the automation of the SACCOs, which has begun months ago, with a team of IT experts from RCA and Fintech conjointly working on piloting and rolling

out the new system.

Once a SACCO is fully computerized, it can be connected to payment systems and mobile money solutions, allowing members to transfer money to Umurenge SACCOs and even to other financial institutions all over the country.

Transparency will significantly increase as all transactions need to be entered into the system and can be traced easily. Service procedures will be less time-consuming in future through IT-support.

The automation requires however a clean data basis to be transferred from the manual to the IT system. Therefore AMIR has contracted GPO & Partners to audit all Umurenge SACCOs. The GPO teams have already started their audit missions in 22 Districts.

The keystone of the professionalization initiative will be the foundation of a Cooperative Bank.

In line with Rwanda's Government strategies this bank will contribute to the strengthening of Rwanda's financial sector in order to facilitate the economic transformation.

The Cooperative Bank's core task will be to enhance the Umurenge SACCOs by offering financial services like access to national and international payment platforms, treasury management, specie supply, loan services, accounting, liquidity management and access to financial markets.

Doing so, significant economies of scale can be achieved. Thus Umurenge SACCOs will be enabled to make good present deficits and increase their service and product quality to the end that their sustainability will be improved. The Cooperative Bank is supposed to work closely together with other network partners such as AMIR, RICEM, and others. Preparations of the foundation of the bank will begin in 2017.

The Steering Committee chaired by MINECOFIN oversees the entire program from the computerization of SACCOs to the development of the Cooperative Bank strategy and business model. All actions taken to refine the sector are based on the initial Umurenge SACCOs' objective to improve the access to qualified financial services, and to enhance the financial inclusion of all parts of the Rwandan population.

AMIR and SBFIC are convinced that this program will uplift the Rwandan Microfinance Sector significantly. Restructuring the Umurenge SACCO sector and creating a central institution to enable the SACCOs to jointly offer services they could not offer stand-alone, due to their limited size, is the logical next step in the sector's development. The improved financial access for current and future SACCO members is supposed to boost the local economy in the Sectors and Districts.

GPO Partners

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Sector prospects

RSWITCH ON INTEROPERABILITY AND E- MONEY



RSwitch is Rwanda's e- payment switch and driver of the SmartCash brand. In its mandate, RSwitch is tasked to expand the financial services ecosystem by delivering interoperable solutions using the

best capabilities and most reliable technology.

To build up on the same, we talk to RSwitch Ag. Chief Executive Officer, Mr. Jean Claude Gaga for more on

interoperability and e-money.

- 1. RSwitch has developed an interoperable platform eHuriro which facilitates Banks, Mobile**



Network Operators and Micro Finance Institutions to electronically move money amongst each other. Why this service?

Rwanda's financial industry has evolved with more need for interoperable platforms which enable individuals to electronically move money seamlessly amongst all financial platforms such as Banks, Microfinance Institutions and Mobile Network Operators. It is our bold vision that ALL e-money should be connected which expands the financial services ecosystem. This service comes in to serve this need in addition to ultimately reducing the cost of transactions among financial institution and individual accounts. .

2. How is the progress of this interoperability platform so far?

Currently we have connected two Mobile Network Operators (Tigo + Airtel), one commercial bank and two major aggregators for Micro Finance Institutions combining over 15 institutions. We are still on boarding other financial institutions as well as payments aggregators who wish to tag onto the scalability of plugging into eHuriro. We can confidently say this will be a game changer in enabling interoperability in the financial industry over the next years to come.

3. Can we say you have been able to achieve your mission of expanding the financial services ecosystem by

delivering interoperable solutions using the best capabilities and the most reliable technology?

What we can say is that it is a work in progress and we are taking steps in the right direction with the introduction



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Mi-Fo





financial institutions including Micro Finance Institutions.

4. How is RSwitch connecting all East Africans with all their e-money?

We work with other switches the region to expand our service delivery on a regional level. Also as mentioned earlier, we are expanding our SmartCash brand and solutions to the wider East African region. We have fostered partnerships with international debit card schemes such as China Union pay, VISA, MasterCard, among others. In the near future East Africans will be transferring money to each other irrespective of the service provider and using their debit cards on all infrastructure seamlessly.

5. How is SmartCash fairing on the area of financial inclusion?

We currently have 8 banks offering SmartCash cards in Rwanda and that is about half of the banks in the country so I would say we are doing fairly well and according to the recent figures released by BNR, electronic payments in card based payment have increased year with a percentage increase in number of debit cards by 67.2% in 2012 to 73.7% in 2015.

The differentiator of the SmartCash card is that it is the only card scheme accepted on all ATMs and POS in Rwanda. You are guaranteed to get served all

over the country when you have a SmartCash card.

6. In regards to transaction processing, what infrastructure is in place and how do you ensure it's functional / operative to maintain best services?

Over the past year we have heavily invested in our technology, infrastructure and upgraded all our system processes to ensure that our clients get the best services 24/7.

We have been certified by the Payment Card Industry council in the last two years and the most recent one, 2015 came with the highest version of the certification in the region. Being PCIDSS certified proves the level of security and to a great extent efficiency that RSwitch offers.

In addition, our eHuriro platform can handle integration capacity of all financial institutions in Rwanda and beyond and we have also invested in ensuring our staff offer the best services. Under our monitoring business we have a team that works 24/7 to ensure all terminals are functional. When our partners go to sleep we stay on guard to ensure nothing happens even when they are away.



AMIR Shared services: a key stimulus to cost savings

The implementation of shared services arrangements now has a long history in the private sector. The private sector has been moving towards shared services since the beginning of the 1980s. Large organizations such as the BBC, Ford, HP, Rolls-Royce, and many others are operating them with great success. According to the English Institute of Chartered Accountants, more than 30% of U.S. Fortune 500 companies have implemented a shared-service center, and are reporting cost savings in their general accounting functions of up to 46%.

What and “How” AMIR can do to achieve what these reputable private companies have achieved?





The AMIR General Assembly which took place in December 2015 has nominated committees and adopted resolutions aiming at establishing a strong mechanism to provide cost effective services and deliver quality services to its esteemed members. All the efforts made in this regard were to improve and sustain the microfinance services in Rwanda. The ultimate goal for introducing the shared services (as tasked with AMIR secretariat) was about: setting a central access point for client service - Provide more services without increasing cost - Standard service delivery - Provision of service in a way that meets the client's needs of the sector.

Though AMIR members count to benefit from different types of shared services this year, namely legal, insurance, security and IT; AMIR since early 2016 has achieved a lot of milestones in shared services especially in Information and technology.

What should we understand from the shared services?

The Association of

microfinance institutions in Rwanda (AMIR) seeks the services of suitably qualified and experienced companies to provide cost-effective shared services to AMIR members. For Debt Recovery Services, AMIR contacts competent companies: law practitioners and/or law firms who have legal experience within the country to partner with a view of offering recovery services to the MFIs & SACCOs in Rwanda in relation to recovering of unpaid debts owed to them. The objective is to recovery debts using the most effective method of debt recovery and professionalizing the services within the MFI sector with affordable costs.

Particularly this will allow to:

1. Take positive action to prevent arrears occurring, for example by maximizing income and providing a range of payment methods;
2. Take enforcement action against deliberate non-payers or those who delay payment;
3. Ensure prompt billing and

to remind people quickly if they do not pay; and

4. Encourage early contact to avoid the buildup of debt.

For the legal services

The aim is to partner with qualified and experienced legal firms to provide affordable and attractive legal services to MFIs & SACCOs in their various legal needs.

And for the security services

The goal is to install affordable alarm systems at the institutions against any unauthorized persons with a mechanism able to send automatically a call to the police and MFI immediately.

The selected alarm system provider will be expected to provide protection for MFI & SACCO Facilities against any intruder with use of installed alarm systems under the shared security services.



Our Mission

is to provide access to reliable and affordable financial services to thousands of low income people, particularly women to alleviate poverty in Rwanda.

What We Do

ASA Microfinance (Rwanda), is engaged in the process of empowering the low income poor for the improvement of their socio-economic condition through the provisions of client friendly Savings and Credit with flexibility.

Our Products

- Group Based Small Loan for low income people
- Small Business Loan for individuals
- Small Savings

“ASA Microfinance Rwanda, brings the famous ASA Model in town. ASA being the topper, of the famous US-based magazine FORBE’s MFI list of 2007, takes the pride to be associated in the betterment of the people of Rwanda.”

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Can NPL in Rwanda be significantly reduced?

by Fabien M.

High nonperforming loans (NPL) have incidence on interest rate charged by banks and microfinance institutions (MFI). Good clients bear the burden of bad clients. If it is expected that one client out ten defaults, the bank will structure the interest rates of the remaining nine to cover the money that it loose with one defaulter if is to remain profitable.

There are other factors that affect

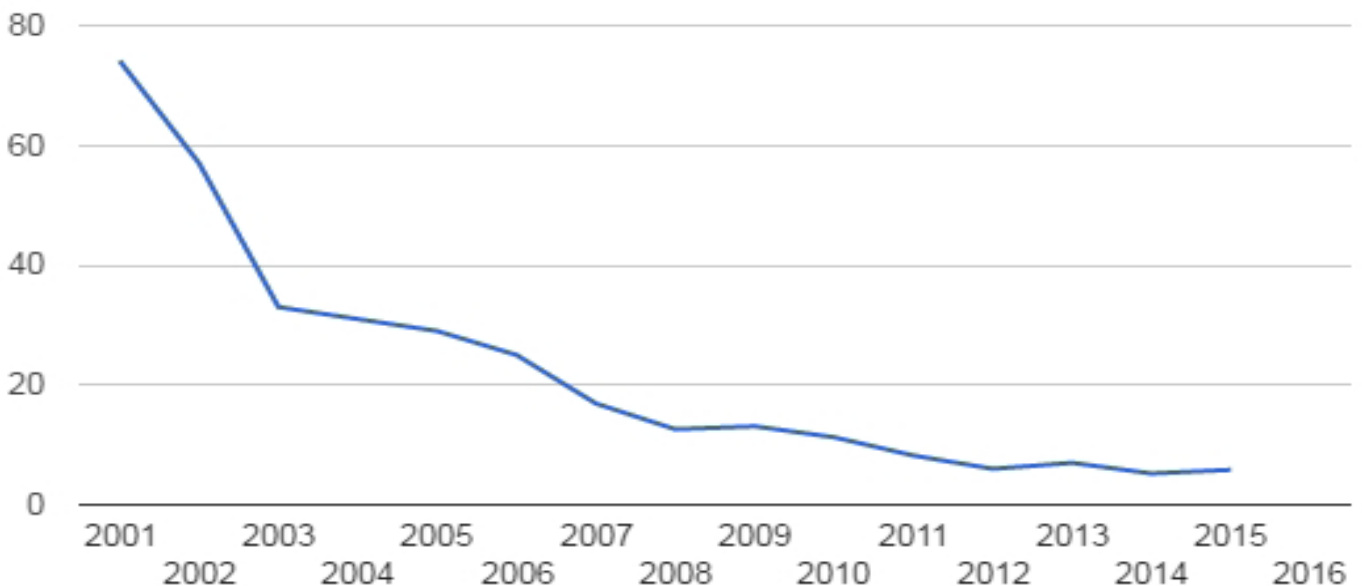
interest rate such as inflation, interests paid on deposited money, interbank rate, repo rate, etc. Whereas we cannot totally control inflation due to some external factors such as the health of international economy that affects our currency, we have under our control all tools to manage NPL to the lowest level possible.

The World Bank defines nonperforming loans (NPL) as

“the value of nonperforming loans divided by the total value of the loan portfolio (including nonperforming loans before the deduction of specific loan-loss provisions).

The loan amount recorded as nonperforming should be the gross value of the loan as recorded on the balance sheet, not just the amount that is overdue”. In 2015, NPL in Rwanda amounted to FRW 85 billion which represented

Rwanda Non-performing loans



Source: TheGlobalEconomy.com, The World Bank

5.22%.

Though the trend of NPL diminishes, the amount keeps growing as Banks and MFI assets grow. According to the World Bank data, NPL in Rwanda was at 74.1% in 2001 and stands at 5.22% in 2015. The chart below shows that trend.

This trend reflects the effort deployed by the concerned institutions to build the financial sector and translates the current health of the banking system. A higher percent of NPL shows that banks and MFI have difficulty to collect interest and principal on their credits which affects their profitability; and when NPLs are high on a long period of time, they might lead to bank/MFI closures.

In 2015, Rwanda was ranked 45th in 119 countries with high NPL where San Marino (No 1) has the worst NPL of 46.76% and the best being Macau with NPL of 0.12%.

As said above, NPL affect the interest rate charged by banks and MFIs. In return, high interest rate might lead to defaulting and increased NPL. Thus, the higher the interest rate, the more difficult to repay, the more likely to default, the more NPL. So, there is a vicious circle between NPL and interest rates.

The underlying reasons for high NPL includes but not limited to bad projects of clients, the business type of financial institutions whereby some types of businesses are prone

to default due to high risk such as agriculture and retail trade, insufficient or bad collaterals whereby the creditor does not assess properly the value and convertibility of assets presented as collateral into money in case of default, lack of specialized assets managers to help institutions to manage collaterals in case of default and lack of interested buyers, corruption, nepotism and cronyism in staff recruitment and loan issuance, high financial illiteracy among Rwandans; lack of proper follow up by banks and microfinance institutions due to various reasons such as insufficient staff or others, fraud, lack of adequate skills / systems/processes, absence or dysfunctional IT systems and internet connections to allow early detection in branches and subsidiaries, lack of hierarchy to exercise oversight especially in SACCOS and different microfinance institutions, cumbersome bureaucracy, and name it.

Some of the existing tools to alleviate this high level of NPL include the Credit Reference Bureau (CRB), the reinforced Central Bank controls, audits and supervision, loan insurances and reform of legal and judicial framework such as the mortgage law, insolvency law and so on.

To reduce the level of NPL to the lowest level possible especially in MFI where it is above 5% set by the Central Bank (though 5% is still high), banks and MFI needs

to speed up programs aiming at building capacity among staff and instill values among staff, put in place adequate IT systems and processes that allow managers to easily follow up what is taking place in their institutions. However, this is not enough! The role to be played by the government and civil society is important.

First, Rwandans need to be educated about financial literacy, basic project management and values and morals related to credit taking. Many project default either due to lack of project management skills or to recklessness by some people who do not care about repayment of the loan. This education should be the responsibility of the government and the civil society. The umbrella of MFI also should play a big role in this education.

Secondly, the government should speed up the identification of Rwandans. In developed countries, every individual is attached to an ID number and post address or zip code number. This facilitates follow up of what they do and in case of fraud, it is easy to track them. In case a person changes the address, it is a legal obligation to inform all relevant authorities including his/her bank.

In Rwanda, a person takes a loan and he vanishes as it is not easy to track a person without a known physical address. The village, cell and sector are not much helpful. As all Rwandans eligible to loans have an ID number, the next step



Sector prospects

should be obliging Rwandans to inform the relevant authorities of their new address. This can be done by introducing zip codes in Rwanda or any other system that attaches a person to a known address.

Thirdly, courts, bailiffs and assets valuers should be part of

the game. These days, a lot of auctions to recover banks and MFI money fail either due to collusion among some interested individuals including the bailiffs or because the judgments were not clear enough, or the valuation of assets was not done properly.

The conjugation of efforts between

financial institutions, government, judiciary, professional bodies such as lawyers and bailiffs as well as the civil society is critical in carrying out actions that will led to the reduction of NPL to acceptable level and all of us will be glad to get loans at accessible interest rate.



Majoro Fabien is a PhD Candidate in Advanced Policy Studies at the National Graduate Institute for Policy Studies, Japan. He is a governance advisor to the Prime Minister of Rwanda and former chairman of the board of Directors of BRD Ltd.



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Performance monitoring
Research
Promoting transparency



G.S.K teachers unifying for a brighter-collective future

by Charity Kabarega U.

As Rwanda head steadily to achieve the vision of being a middle income country by 2020, AMIR is currently implementing different financial education activities aiming at reaching the underserved population and instilling into youth minds the culture of saving. These activities are being implemented countrywide with support of the local

authorities, IPRCs and teachers from schools: primary and secondary.

The Rwanda Microfinance Magazine visited the implementation of these activities in Karongi district at the *Group Scholaire Kibuye* during a financial education campaign. To insure the smooth running of this campaign,

AMIR works closely with schools and teachers; the AMIR's programs department confirms that they normally train teachers who in turn train pupils and impart the saving lessons; and AMIR follow through and supervise the implementation by monitoring.

The GSK teachers have gone beyond what was expected from their commitment. They were equipped with the skills and knowledge related to saving culture, and in turn they not only delivered the training to pupils as expected, but they also taught by examples.

The *ICYEREKEZO* Saving Club is the saving club owned by teachers who work at *Group Scholaire Kibuye*. This is a school located in Western province, Karongi district in Bwishyura sector, Kiniha cell.

This club was created in 2015. The club foundation idea resulted from the enthusiasm of teachers that worked at the School, who wanted to build sustainable unity among them that would help them to mutually support each other without waiting for external and conditional support (financially).

Before starting this, they organized themselves and decided to meet and streamline their ideas and start something tangible to vehicle the saving related ideas that they had in their minds into reality. That meeting then gave birth to a saving club labeled "*ICYEREKEZO*" this was on 31st August 2015. The club is currently composed of 30 members: 19 women and 11 men. The basic share of each member is Rwf 1,000. But the members are allowed to have more than one share.

After the establishment of this club, the members agreed on different actions aiming

at the effective management and security of their savings, thus they agreed to meet on weekly basis, every Tuesday after lessons. Joining the club is a voluntary will, it is not compulsory for each and every teacher from the school to join the club.

As highlighted by the chairperson of this saving club, Pascaie Nyiraneza, the ultimate goal behind the establishment of their saving club, is to improve their social economic lives.

Pascasie goes on saying that, at the end of March 2016, we got new ideas of developing a newsavingservice, whereby members decided to start paying regularly Rwf 100. The objective was to financially support the members in case of emergency. The "*Ingoboka* money" as they named that new saving service, is given to members in need, and the beneficiary pays back with a little interest.

As of September 2016, the statistics report of the Saving Club *ICYEREKEZO*, show that the club is moving steadily and hopefully the members will attain their objectives and hence contribute to not only their social economic lives but also to the social performance of the region at large.

The Club currently has a balance (outstanding amount) equivalent to Rwf 4,3492,515. Our vision is to reinforce the activities of club until we reach at the level of making a large profitable project that will benefit the members and impact positively to their wellbeing. Pascasie said.

Pascasie calls upon other teachers to imitate their saving culture, assuring that the unity contributes a lot to the social economic development.

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Achiver's corner



PRESENTATION OF CPF INEZA

History CPF INEZA

The CPF INEZA was born under the initiative resulting from the will of a small group of Pentecostal Christians parish of ADEPR-Gahogo, MUHANGA District, and Southern Province, who, solicitous to promote savings culture among the church members, created a fund called CHRISTIAN PROGRESS FUND (CPF).

After some time and many consultation meetings, a group of developers decided to create a savings and credit cooperative with the aim of contributing to the reduction of poverty by granting credits to people having no means to access commercial bank loans due to their demands beyond their means.

As of 19 January 2009, the COOPERATIVE OF PROGRESS AND FINANCING INEZA (CPF INEZA) was born and started its main activities to collect the savings of its members as a registered cooperative savings and credit in the RCA (Rwanda Cooperative Agency), and agreed to a National Bank (BNR).





A group photo of certified trainers

Management Game and Group Coaching in Rwanda

Business Management Simulation - an innovative Learning Approach for Micro-Entrepreneurs

Successful Micro-Entrepreneurs are the backbone of a developing economy. With most businesses being small in size, these enterprises need to be run effectively and successfully in order to grow and help in alleviation of poverty.

To support Micro-Entrepreneurs achieving this goal, AMIR (Association of Microfinance Institutions in Rwanda) in cooperation with SBFIC (Savings Bank Foundations for International Cooperation), introduced an Educative Business Simulation Game to Rwanda.

The Business Management Game "Basic Micro Business System" is a practical and tailor-made solution to teach Micro-Entrepreneurs **vital business management skills**. It is meant for people already owning

SME's and those intending to start especially those with low levels of education. SBFIC looks back on 20 years of experience with these simulations and has carried out thousands of similar trainings in developing countries all over the world.

The Management Game was introduced to Rwanda in 2012. It started with training some staff members of Microfinance Institutions. The main target group however, is Micro-Entrepreneurs who are clients of those Microfinance Institutions.

In order to spread the use of this game, AMIR and SBFIC conducted a Train-the-Trainer program. Where 22 local trainers completed our program and were certified in 2012 and are available to conduct training sessions with Micro-Entrepreneurs all

throughout Rwanda.

So far 9 trainings to Microfinance institutions have been conducted where **181 micro-entrepreneurs** have been trained. 17 trainings for other partners like ARC, SKAT or Woman for woman etc has been conducted with **424 participants** in total.

The new introduced concept of Group Coaching took place 3 times and **73** Micro entrepreneur were coached.

Due to the uniqueness and the practical approach of the Management Game ,other organizations which support Micro-Entrepreneurs in Rwanda started to request AMIR to offer this training to their beneficiaries as well since 2014.



Group Coaching – Follow-up Methodology

In connection with the Management Game Training, AMIR with the Support of SBFIC and other partners initiated a follow-up of participants of these trainings using **Group Coaching Methodology** which was introduced in 2016 and starting with Training of Coaches (TOC) where eight coaches became certified.

Three successful pilot Group Coaching sessions have been conducted together with our partners ARC and SKAT. Currently we are in the process

of organizing Group Coaching as an integral follow-up to the Management Game.

The Group Coaching Methodology was adopted in order to cater at once for the whole group previously trained in Management Game making it affordable and realistic to the situation of Micro-Entrepreneurs.

It starts with a review of the lessons learnt and major processes of Business Management Game.

Following this, current problems experienced by Micro-Entrepreneurs in their businesses are collected by Coaches for a later discussion in the Group Coaching Sessions.

Does your organization support Micro-Entrepreneurs? Then hire our local trainers from AMIR to conduct a simulation session in the location of your choice, teaching your Micro-Entrepreneurs how to be successful.

Financial Education in Schools

Financial Education in schools is basically targeting to build the savings culture among Rwandans. This program changes positively the attitudes and behaviours of young Rwandans in a way they become responsible and financially inclusive and ends up linking them, their parents and their communities to formal financial institutions. It is being implanted by AMIR and its members (MFI and SACCO) since 2011.

Children have enormous potential. They have judgment, act on their own, lead others, or work as part of a team. These are skills that are often underdeveloped or go unnoticed, despite the profound impact that these abilities may have on their future and the whole country.

The Methodology of saving clubs seeks to harness this early period in a child's life and give them an educational experience that leaves

them with positive associations with money and social change. Childhood is a precious time, where exploration, learning and character development are key. By teaching basic social and financial skills, and providing children with practical experience, AMIR hopes that, the children will believe in themselves and their ability to make a difference in their lives and in the lives of people around them.

Children who are in savings clubs, get to know what to do with their money, in the saving clubs, there are so many things that students can do, They can learn to save money, save school and home materials, sing, dance, share saving, budgeting, planning and sharing entrepreneurial experiences, paint, care for each other and have lots of fun.

Savings clubs has been recorded as the best channel (Tool) to build savings culture in both



youth and women. Many development partners are supporting savings groups for women in Rwanda.

How ready are the key partners/ TEACHERS?

In partnership with AMIR, teachers also started their savings clubs, where they meet regularly (weekly) and save small money for their future plans, the teachers of KARON-

GI a school called SG Kibuye have raised up to more than **Rwf 3M**. The teacher of GS Gitare in Rulindo District also raised up to **Rwf 2.1M**

Below is the sample of 25 schools captured on 30/09/ 2016.

No	Details	Amount saved/Total Numbers
1	Total number of students in 25 school	30,992 Ns
2	Indicator 2. No students in Saving club	30,356 Ns
3	Indicator 3. Total No clubs	348 Ns
4	Indicator 4. No of girls	13,048 Ns
5	Indicator 5. No of accounts opened	2,014 Ns
6	Indicator 6. No of small businesses created	922 Ns
7	Indicator 7. Total Amount saved	14,654,867 frw

AMIR CONSULT PROFILE

AMIR Consult Company limited is an economic arm of the Association of Microfinance institutions in Rwanda (AMIR). It was established in February 2015 and got its registration in 2nd April 2015.

AMIR decided to form AMIR Consult for the purpose of fostering its sustainability and doing business with microfinance sector practitioners through consultancies and technical assistance and also by becoming as one stop center for MFIs and SACCO audit services.

AMIR Consult is owned totally by AMIR and is governed by 5 Board of Directors. There are 2 staff members lead by the Managing Director and 5 working partners with multipurpose competencies needed in the Microfinance sector.

AMIR Consult is working with Microfinance professionals and certified consultants and the aim is to monitor the quality of the work done and that the MFIs or SACCOs are satisfied with the work done.

AMIR Consult product and services

AMIR Consult is one stop services center for microfinance sector composed of the following shared services:

1. IT share platform composed of Core banking system, Hardware and data base, Data Hosting, Network Connectivity and Power supply.
2. Internal and External audit
3. Legal and credit recovery services
4. Microfinance Refinancing Fund

17th SACCA CONGRESS

KIGALI | 2016



ACCOSCA, The African Confederation of Cooperatives Savings and Credit Associations in partnership with AMIR, Association of Microfinance Institutions in Rwanda together with the National Cooperatives Confederation of Rwanda among other partners will be hosting cooperators from Africa and beyond for the 17th SACCA Congress (17th Annual Savings and Credit Associations of Africa Congress) in Kigali, Rwanda – October 2016

“PROMOTING AFRICA’S DEVELOPMENT AGENDA THROUGH A FINANCIAL COOPERATIVE INTERGRATED SYSTEM”

Integration for African Development agenda; there is strength in cooperation!!

- The cooperative identity; who we are
- Strategies for managing growth
- Integration of the cooperative sector
- Effective Governance and leadership to support growth
- Financial stability of cooperatives

- Enhancing Agribusiness through SACCOs

CONFIRMED PARTICIPATING INSTITUTIONS

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CCA

STIMA SACCO

CIC GROUP

KENYA POLICE SACCO

MWALIMU SACCO

ACCU

UNCDF

DFID

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