Background

In recent years, financial inclusion in Rwanda has known promising levels of growth, resulting from a number of initiatives and policy measures seeking to reach more underserved Rwandans with financial services. Despite remarkable advances, the country’s microfinance sector still faces a number of challenges, including limited formal and informal frameworks for the adoption of consumer protection practices that contribute to responsible financial inclusion.

Consumer protection is rooted in the belief that exchanges between financial service providers and consumers should be transparent and fair, thus limiting poor treatment of clients, and increasing trust in and reputation of the sector. Some notable developments in Rwanda that have the potential to impact activities around consumer protection include:

<table>
<thead>
<tr>
<th>Consumer Protection Principles</th>
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<tr>
<td>• Appropriate product design and delivery</td>
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<td>• Prevention of over-indebtedness</td>
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<td>• Transparency</td>
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<td>• Responsible pricing</td>
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<td>• Fair and respectful treatment of clients</td>
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<td>• Privacy of client data</td>
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<td>• Mechanisms for complaint resolution</td>
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At a Glance: Microfinance Sector in Rwanda

- 494 legally registered MFIs
- MFIs account for 6.7% of total financial sector assets
- 2.8 million people have access to MFI services

Notable Developments in Responsible Finance in Rwanda

- Regulation mandating credit history check before approving loan.
- Regulations on pricing disclosure for credit services.
- Central Bank and World Bank collaboration to develop a Consumer Protection Framework.
- Augmented interest in digital financial services and VSLAs as a way to increase financial inclusion.
- An increasing number of savings and loans cooperatives (SACCOs) are joining the Association of Microfinance Institutions in Rwanda (AMIR).

Program Partners and Objectives

The SEEP Network is collaborating with the Association of Microfinance Institutions in Rwanda (AMIR) and The MasterCard Foundation to lead the Responsible Finance through Local Leadership and Learning Program in Rwanda.

The program aims to:

- Promote an enabling environment through active engagement of all relevant stakeholders.
- Expand the organizational capacity of AMIR to serve as a sustainable and influential advocate for responsible financial market development.
- Accelerate learning and knowledge exchange within Rwanda and the Sub-Saharan Africa region.

To achieve these objectives, the program will employ a multi-stakeholder approach engaging all relevant actors (MFIs, regulators, government agencies, technology firms, donors, NGOs, grassroots organizations, etc.) intervening in the market to achieve progress on a sector-wide scale through a variety of activities to advance internationally recognized consumer protection principles.¹

¹ See The Smart Campaign, [www.smartcampaign.org](http://www.smartcampaign.org)
Using a market facilitation approach, the program aims to catalyze large-scale systemic change around responsible finance by tackling the underlying causes of market weaknesses. The program’s overall impact pathway to deal with key constraints on the demand side (limited awareness of consumers of their rights and means of recourse) and on the supply side (limited capacity, services and frameworks around consumer protection) can be illustrated as follows:

A detailed presentation of the preliminary program theory of change can be found on the program site.