

# Association of Microfinance Institutions of Rwanda

## Rwanda microfinance week 2015, a call to professionalize the microfinance sector in Rwanda

BY GEOFFREY WAKIBI

The major tool for development of the microfinance sector in Rwanda is capacity building and financial education, says Nzagahimana Jean Marie Vianney, chairman of the Association of Microfinance Institutions of Rwanda, (AMIR). The association was created in June 2007 with only 32 microfinance institutions. After seven years, AMIR has been excelling, transforming into an institution with a vision of becoming a strong organization that contributes to development of the micro finance industry through promotion of transparent management systems, innovative and market led financial services and products. In a recent general assembly of May 7th 2015, AMIR admitted 134 new Imirenge SACCO Members and this has brought the total number of AMIR Members to 243members. "We call everyone to join the association so that we have a one voice to be served under one roof-AMIR" says Peter RWEMA, AMIR's Executive Secretary.

AMIR membership is open to all Rwanda Microfinance Institutions/SACCOs that have been registered by the regulatory authority (the Central Bank of Rwanda). AMIR membership is also open to non MFIS /Saccos categories and also accepts non MFIs/Saccos plus associate members like NGOs that support the microfinance sector.

### The Rwanda microfinance week

Organized for the very first time in the country, AMIR, under the support and partnership with Savings Banks Foundation for International Cooperation (SBFIC) set the 2015 Rwanda Microfinance Week celebration day on 7th May 2015 at La Palisse Hotel/Kigali. The week which kicked off on 27th April 2015 started with AMIR members, together with their partners, SBFIC, travelling around the country to meet with all MFIs/SACCO managers and presidents operating in 27 Districts of Rwanda (the CEO round table). For this time the mission was very clear: to discuss with them preliminary findings on causes of nonperforming loans



Honorable Francoise Kanimba handing over a dummy cheque to the best microfinance reporter (Geoffrey Wakibi)

as established by researchers from RESTRAD Company.

SACCO managers and presidents validated the findings and added more causes on this research. Another CEO round table in Kigali will follow in June to cover the 3 districts which have not been covered.

According to Jean Damascene Hakuzimana, Senior Officer, Advocacy and Communications at AMIR, the findings are divided into three areas; policy and laws regarding micro finance, microfinance institutions and micro finance clients.

Preliminary solutions may come from amending some laws and some policies relating to micro finance where others will mainly come from improved and standardized financial education to clients and capacity building of Microfinance Institutions staff in indicated areas.

This research is ongoing and more validation will come from partners to confirm the findings and embark on implementing recommendations.



MFIs awardees displaying their dummy cheques(Geoffrey Wakibi)

### Launching the Radio Microfinance Campaign

In line with Rwanda Microfinance week objectives, AMIR / SBFIC launched a radio campaign with a live talk show broadcast on the national radio and television on 3rd May 2015 which was a forum to discuss AMIR and partners' services to professionalize the microfinance sector in Rwanda.

The same show discussed the rationale for microfinance high interest rates which was the audience's primary concern. Insufficient liquidity, high risk of lending in microfinance where collateral is sometimes based on mutual trust have been explained as major causes of the said high interest rates in the microfinance industry.

Callers in the show from around

the country have also blamed their fellow microfinance clients whose loans are not paid back: "This is denying a chance to other clients to access financial services" said a caller who portrayed a loan defaulter as an enemy of the country.

AMIR is teaming up with other three community radios, Ishingiro in Gicumbi, Izuba in Ngoma and Isangano in Karongi, for one year to pass on strategic messages on financial literacy. The pilot phase of the campaign took place in Gicumbi district during a talkshow presided over by the mayor of Rulindo and Chairman of Rwanda Association of Local Government Association, Justus Kangwaye on 5th May 2015.

According to him teaching financial education to rural community is taking development to the needy.

### Awarding best microfinance reporters

As part of the week's activities, AMIR / SBFIC joined Rwanda media fraternity on 3rd May 2015 during the 3rd Edition of the Rwanda Development Journalism Awards (DJA) by awarding the best micro finance reporters on World Press Freedom Day. Organized for the first time by AMIR, 17 media pieces were analysed by an independent jury of seasoned journalists and winners emerged as follow:

Peterson Tumwebaze of The New Times publications as the overall Microfinance Reporter of the Year for his article "Taking stock of national savings blueprint five years on down the road." The runners up included Jean Pierre Bucyusenge for his article "Why farmers are loyal to microfinance Institutions", and Gratien Hakorimana with the article "Abaturage bayobotse umuco wo kwizigamira." Professor Shyaka Anastase, the Rwanda Governance Board's CEO welcomed AMIR to join the event and encouraged media practitioners to team up with private sector like AMIR and report on their work.

### Organizing 2015 General Assembly where High performing MFIs were recognized

In the conclusion of Rwanda Microfinance Week, a successful General Assembly was held at La Palisse Nyandungu on May 7th, 2015. During this Assembly AMIR hosted 134 new SACCO members mainly Imirenge SACCO. This boom of AMIR membership is a result of appealing services provided by AMIR to members. The Association awarded six micro finance institutions and Saccos for their role in promoting practices that deep-



en financial inclusion, as well as improving service delivery. Three indicators were used to judge the institutions' performance: product development, use of information and communication technology to foster financial inclusion, and client protection and social performance.

Umutanguha Finance and Vision Finance emerged the best in Clients protection and social performance category, while COOPEC Inkunga and Musanze's Inyongera Sacco Cyuye were rewarded for the Products development. CLECAM Wisigara Sacco and Unguka Bank emerged best in the use of Technology to boost access to finance

"The awards which were facilitated by SBFIC, were geared at enhancing efficiency and professionalism among sector players," explains Hakuzimana adding it was part of the activities to mark the celebrations of the microfinance week.

The winners received cash prizes ranging between Rfw 500,000 to 1,000,000, on top of certificates of merit.

## Winners speak out

The awards motivate players in the microfinance sector into innovating and developing new ideas and products.

Chantal Uwimana, manager of Cooperative of Progress and Finance (CPF) Ineza, in Muhanga town, also attributes the good performance of microfinance institutions to capacity building, financial education and promotion of the saving culture among Rwandans as services offered by AMIR to members.



Chantal Uwimana, manager CPF Ineza (Geoffrey Wakibi)

CPF Ineza has a mission to financially support a large number of poor people living in rural areas without access to the services of conventional banks, by taking financial services closer, enabling them to improve their livelihoods. "We started humbly as a result of the overwhelming concern for the general promotion of the local financial environment to enable residents' access the basic financial services. Today the strategy we are



General Assembly (Geoffrey Wakibi)

following in performing Microfinance activities is defined as a development tool by which the population excluded from traditional financial services access to basic financial services" Uwimana says.

## Paying Tribute to Tutsi Genocide victims at Kamonyi Genocide Memorial, AMIR corporate social responsibility during Rwanda Microfinance Week

During this Rwanda Microfinance week 2015, AMIR leadership and SACCO managers and presidents from Muhanga, Kamonyi and Ruhango visited the Kamonyi Genocide Memorial to pay tribute to genocide victims and boost the culture of remembrance and commitment to never again.

AMIR / SBFIC have given out a check of two hundred thousand Rwanda francs to the memorial to support its modernization and extension.

## SBFIC strong support

Savings Banks Foundation for International Cooperation (SBFIC) is a German NGO. It is promoting the Micro-Finance Sector in Rwanda through capacity development, support of transparency in the Microfinance sector and the improvement of reporting systems as well as through lobbying and marketing of the sector.

Financial education is another very important pillar of SBFIC's program in Rwanda that involves not only investors, but also families to help them keep a balanced budget.

AMIR, with the support of SBFIC, established a financial Education Program in Rwanda to encourage the Rwandan population to reflect about their future by shifting their habits to build financial capacity of



CPF offices in Muhangatown (Geoffrey Wakibi)



Live show debate at RTV (Geoffrey Wakibi)

target groups (students, parents, and teachers), educate people to distinguish between needs and desires, help people to fix financial plans and teach people to read savings plans. Until the end of the year 2014 more than 40,000 students opened savings accounts in Microfinance institutions and saved the amount of RWF 257 Mio. in order to improve their financial situation in future.

SBFIC was founded on behalf of the Savings Banks Financial Group in 1992. Since its establishment, over 150 projects in 60 countries were implemented. Today, there are 28 projects running in 25 countries including Rwanda, Tanzania and Burundi. The objective of its

establishment is to develop the insightful experience from the German savings banks to related institutions in developing countries, thus strengthening local financial structures. In Rwanda, SBFIC's mission is to augment the professional capacity of partnering institutions, empowering them to offer their customers a permanent access to financial services.

## AFR considers the Rwanda Microfinance week in promoting access to finance in Rwanda

AMIR is in partnership with Access to Finance Rwanda (AFR) to pro-

mote inclusive finance in Rwanda.

AFR was launched in March 2010 at the request of the GoR (Government of Rwanda) with a core objective of removing systemic barriers to financial services by putting the poor at the center of its interventions in Rwanda (financial inclusion).

"We are a development agency working together with stakeholders in the finance sector to promote finance inclusion through capacity building," says Jean Bosco IYACU, Technical Manager at AFR.

As partners, AFR facilitates AMIR by funding the later to provide better products and adequate services to its members through the provision of performance monitoring tools, strategic plans, governance policies and advocacy.

"The awards to best service provider in the microfinance institutions sector are of great importance since they help to promote and reward excellence among microfinance partners and peers in the field of social performance and innovation," Jean Bosco commends. Basically the rewards promote MFI performance in client protection, performance in transformative services to primary stakeholders (non-MFI), transparency of microfinance institutions, creating value for the community as micro-social entrepreneur, best practice in financial literacy (MFI), and institutional efforts in promoting environmental sustainability. To journalists, the JDA encourages and rewards writers whose published works promote the microfinance institutions in Rwanda.

## Keeping truck

AMIR has kept truck of its mission as evidenced in the statistical data of its achievements and indeed with the sector's growth as presented in the report of National Bank of Rwanda. MFIs assets size registered an increase of 20.7% from July 2013 to July 2014, rising from Rfw 122.1 billion to 147.4 billion. The increase was mainly driven by the liquid assets and gross loans which increased from Rfw 47.5 billion to 53.4 billion in 2013 to Rfw 63.9 billion to 81.2 billion in 2014.

According to the central bank, by June 2014, the sector had 493 players including 13 limited MFIs, 416 UMURENGE SACCOs, and 64 Non-UMURENGE SACCOs. The profitability of the SACCOs shows a good step towards their self-sustainability.

"The activities in 2015 will focus on the delivering of demand-driven products and services to the microfinance sector in Rwanda" NZA-GAHIMANA promises.